
# Quarterly Activities Report – 31 December 2023

## Highlights:

**High Value Mixed Rare Earth Carbonate Produced**

- **Mixed rare earth carbonate (MREC) test product successfully produced** at laboratory scale from North Stanmore drilling samples
- **Assays confirm valuable Heavy Rare Earth Oxide** (HREO) to Total Rare Earth Oxide (TREO) ratio of **96.4%** in the MREC test product
- **MREC test product has a very high TREO concentration of 12.46% weight (124,600 ppm)**
- **High indicative basket price for MREC test product of A$114 per kg[1]**
- **High contents of critical metals Nickel, Cobalt and Copper recovered as by-products**
- **North Stanmore emerging as potential strategic source of highly valuable and in demand Dysprosium (Dy) and Terbium (Tb), critical inputs in permanent magnets**
- **Victory is the first Australian company to report assay results for rare earth and impurity levels for a MREC test product** from an Australian ionic clay - regolith project that leads the way for the industry

**North Stanmore Rare Earth Element Project**

- **Initial assay results from Victory's latest infill resource definition drilling program confirm wide intersections and Total Rare Earth Oxide ("TREO") grades up to 4484ppm including:**
  - **21m @ 1015ppm TREO from 17m (IF184)**
  - **11m @ 1640ppm TREO from 41m (IF208) including:**
    - **4m @ 3189ppm TREO**
    - **2m @ 4257ppm TREO**
  - **9m @ 1015ppm TREO from 17m (IF166)**
- **TREO grade from the initial 237 samples received to date from 36 holes is 763ppm (400ppm cut-off), a 46% increase to Mineral Resource Estimate ("MRE") TREO grade [2]**
- **34% valuable and critical Heavy Rare Earth Oxide ("HREO")/(TREO) ratios consistent with MRE results**
- **Latest drilling results are expected to increase grade, scale and resource category of the updated MRE**
- **Phase 3 metallurgical test work program commenced**
- **Mixed Rare Earth Carbonate ("MREC") and by-product Nickel, Cobalt Mixed Hydroxide Precipitate ("MHP") and Copper Sulphate from phase 3 metallurgical program proposed to be sent to potential offtake partners**

[1] Rare Earth Oxide prices sourced from Strategic Metals Invest, Statistica, Argus and Metal.com.

[2] Refer to ASX announcement dated 2nd August 2023 titled "NORTH STANMORE INITIAL MINERAL RESOURCE ESTIMATE".

Victory Metals (ASX:VTM) ("Victory" or "the Company") is pleased to report on its activities and the Appendix 5B for the quarter ending 31 December 2023 ("Quarter", "Reporting Period").

## Mixed Rare Earth Carbonate (MREC) Product

Victory successfully produced a mixed rare earth carbonate (MREC) test product from clay samples taken from the North Stanmore Rare Earth Element Project (**North Stanmore** or the **Project**). North Stanmore is located approximately 10km north from the town of Cue, Western Australia with direct access to the Great Northern Highway.

### Indicative Basket Price

Using conservative prices for rare earth oxides from Strategic Metals Invest, Statistica, Argus and Metal.com[3], the indicative basket price for the North Stanmore mixed rare earth test product is estimated to be USD73.56 /kg REO AUD114/kg REO (Table 1).

The attractive indicative basket price together with the successful production of the MREC test product and metallurgical testing demonstrates the potential value of North Stanmore and provides compelling evidence for further development of the project.

| REO | Price/Kg USD | Value USD | Value AUD |
|---|---|---|---|
| $La_2O_3$ | $1.31 | $0.01 | $0.016 |
| $CeO_2$ | $4.89 | $0.05 | $0.079 |
| $Pr_6O_{11}$ | $106.81 | $0.34 | $0.533 |
| $Nd_2O_3$ | $111.35 | $0.98 | $1.527 |
| Sm2O3 | $3.00 | $0.02 | $0.026 |
| $Eu_2O_3$ | $28.00 | $0.09 | $0.140 |
| $Gd_2O_3$ | $24.82 | $0.44 | $0.681 |
| $Tb_4O_7$ | $1,893.00 | $13.67 | $21.242 |
| $Dy_2O_3$ | $336.00 | $18.06 | $28.069 |
| $Ho_2O_3$ | $531.00 | $10.22 | $15.890 |
| $Er_2O_3$ | $46.00 | $3.10 | $4.818 |
| $Tm_2O_3$ | $1,893.00 | $13.67 | $21.242 |
| $Yb_2O_3$ | $14.00 | $0.76 | $1.187 |
| $Lu_2O_3$ | $656.04 | $7.37 | $11.452 |
| $Y_2O_3$ | $6.60 | $4.77 | $7.409 |
| | Basket Price per Kg REO | $73.56 | $114.31 |

***Table 1:*** *Estimate rare earth oxide price per tonne.*

Notes to Table 1:

1. *based on 2025 forecast by Statistica.
2. source of prices are from Strategic Metals Invest, Statistica, Argus and www. metal.com/Rare Earth Oxides
3. 1 USD = 1.53 AUD source of currency exchange by xe.com.
4. Basket price excludes Au, Co, Cu & Ni potential by-products

### MREC Metallurgical Process

Rare earth elements were extracted from 50kg of material taken from as-received 31 AC drill samples collected from 12 holes from North Stanmore (JORC Table 1), using a blend of ammonium sulphate and weak sulphuric acid leaching at pH 1, ambient temperature and pressure and with a 4-hour residence time.

Impurities, including Aluminium (Al) and Iron (Fe), were first removed from the leach liquor by neutralising with commercial grade sodium carbonate (soda ash) at ambient temperature. The low

[3] https://www.argusmedia.com/en/metals/argus-rare-earths-analytics; https://strategicmetalsinvest.com/current-strategic-metals-prices/; https://www.statista.com/topics/1744/rare-earth-elements/#topicOverview; www.metal.com/RareEarthOxides.

levels of Aluminium and Iron extraction exhibited by North Stanmore samples (refer to ASX announcement dated 1 May 2023) indicates a very high removal rate of Al and Fe with minimal losses of REE (Table 2). This allows a high downstream recovery rate of REE from the leach liquor to the MREC test product. Further work is underway to optimise the impurity removal step to decrease REE and copper reporting to the precipitate.

| Impurity Removal Precipitation Extent (Liquor Basis) | | | | | | | |
|---|---|---|---|---|---|---|---|
| Al % | Fe % | TREE % | HREE % | LREE % | Ni % | Co % | Cu % |
| 99.3 | > 99.9 | 17.2 | 16.9 | 18.6 | 3.0 | 2.4 | 62.1 |

***Table 2:*** *Bulk Impurity Removal Precipitation Extents (pH adjusted with sodium carbonate, ambient temperature)*

Rare earth elements were precipitated from the impurity removal liquor using commercial grade soda ash at ambient temperature, to produce a mixed rare earth carbonate (MREC) test product. High recoveries of REE to the MREC test product were achieved (Table 3). Analysis of the MREC test product shows a very high ratio of HREO to TREO of 96.4% (Figure 2).

Significant concentrations of cobalt, nickel and copper relative to the TREE concentration were also identified in the MREC feed liquor (Table 3)

Further investigation into processing options to generate copper, nickel and cobalt by-products within the flowsheet are currently underway. Copper was precipitated with the REE and reported to the MREC, which contained 2.2% Cu grade. Minimal Ni and Co reported to the MREC and remained in the barren MREC liquor (Table 3). Test work to investigate generating an Mixed Hydroxide Precipitate (**MHP**) containing Ni and Co from the MREC barren liquor is underway.

| MREC Feed Liquor Concentration | | | | | |
|---|---|---|---|---|---|
| Al mg/L | Fe mg/L | TREE mg/L | Ni mg/L | Co mg/L | Cu mg/L |
| 5.6 | 1.6 | 46.0 | 15.8 | 18.4 | 11.4 |
| **MREC Precipitation Extent (Mass Basis)** | | | | | |
| Al % | Fe % | TREE % | Ni % | Co % | Cu % |
| > 99 | > 99 | 71.1 | 1.5 | 1.2 | 93.1 |

***Table 3:*** *MREC Precipitation Feed Liquor Composition and Precipitation Extents (precipitation with sodium carbonate, ambient temperature)*

MHP is a nickel intermediate product which is used as a primary feedstock in the production of nickel sulphate, crucial to the lithium-ion battery supply chain, particularly those batteries that use nickel-rich cathodes such as nickel-manganese-cobalt (NMC).

The MREC test product contained very low concentrations of deleterious elements Th (2.8 ppm) and U (11 ppm), which are in line with background concentrations within the North Stanmore resource. The low concentrations of deleterious radioactive elements within the MREC confirms that these are not concentrated within the REE recovery process flowsheet.

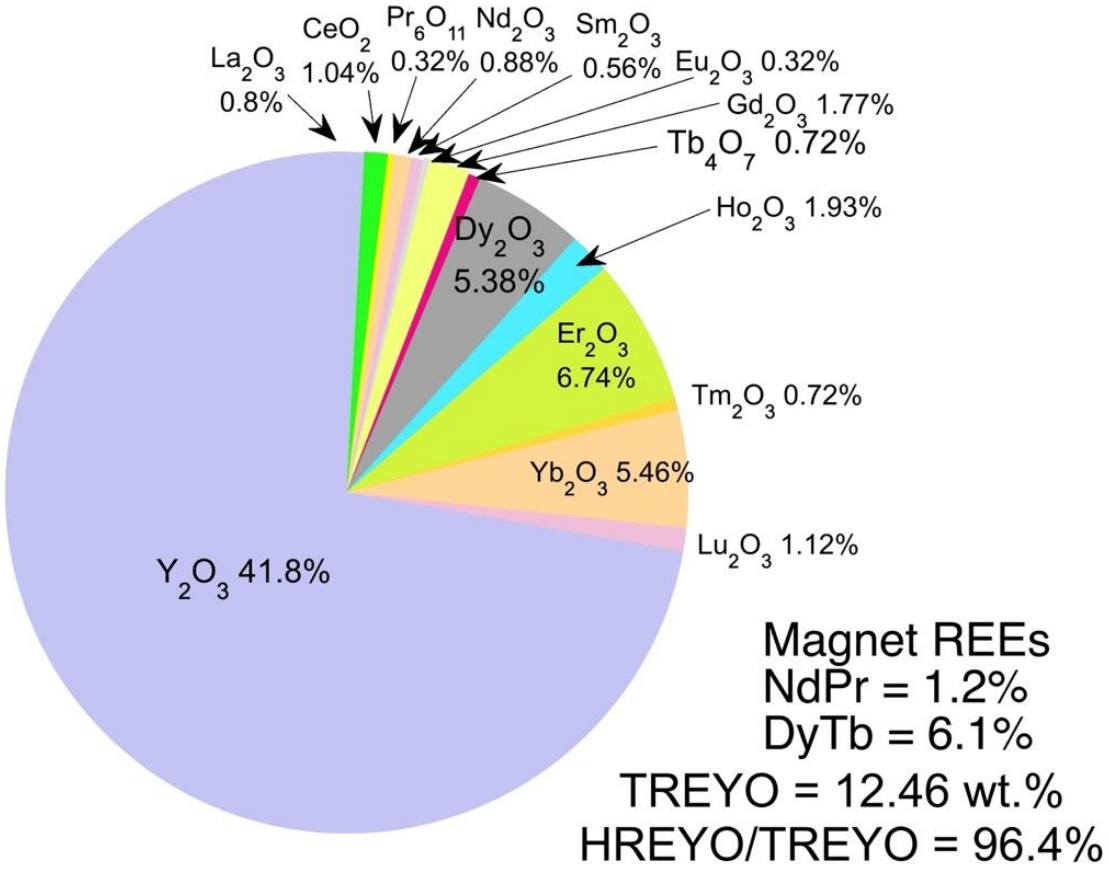


***Figure 1:*** *Pie chart showing the high ratios of valuable and critical heavy rare earth elements in the MREC test product.*

**Mixed Rare Earth Carbonate**

A mixed rare earth carbonate refers to a carbonate compound that contains more than one type of rare earth element. Rare earth elements are a set of 17 chemical elements in the periodic table, specifically the 15 lanthanides, plus scandium and yttrium which have similar properties and often coexist in the same mineral ores.

When these ores are processed, the resulting products can sometimes be a mix of several rare earth elements. When these mixed rare earth elements are combined with carbonate ($CO_3^{2-}$), the result is a mixed rare earth carbonate.

The REE composition of the 50 kg feed ore and the MREC test product produced, shown below, demonstrates the significant up-grade achieved during separation and the precipitation of the MREC.

| | Composition of 50 kg. | Composition of Product |
|---|---|---|
| | Bulk Sample (ppm) | MREC (ppm) |
| $La_2O_3$ | 215 | 1000 |
| $CeO_2$ | 224 | 1300 |
| $Pr_6O_{11}$ | 49 | 400 |
| $Nd_2O_3$ | 191 | 1100 |
| Sm2O3 | 40 | 700 |
| $Eu_2O_3$ | 12 | 400 |
| $Gd_2O_3$ | 45 | 2200 |
| $Tb_4O_7$ | 8 | 900 |
| $Dy_2O_3$ | 49 | 6700 |
| $Ho_2O_3$ | 11 | 2400 |
| $Er_2O_3$ | 33 | 8400 |
| $Tm_2O_3$ | 5 | 900 |
| $Yb_2O_3$ | 28 | 6800 |
| $Lu_2O_3$ | 4 | 1400 |
| $Y_2O_3$ | 367 | 90036 |
| TREYO ppm | 1281 | 124636 |
| HREYO ppm | 562 | 120136 |
| HREO/TREO % | 43.8 | 96.4 |
| Th ppm | 6.9 | 2.8 |
| U ppm | 3.1 | 11 |

***Table 4.*** *ALS assay data of the MREC test product.*

This compound can be further refined to separate individual rare earth elements or to produce various rare earth-based products. Mixed rare earth carbonates are intermediate products in the rare earth industry and are used as raw materials for the extraction and refining of individual rare earth metals.

The value of an MREC varies depending on purity and the REE distribution with DyTb dominated MREC being highly valuable.

**EXPLORATION**

**North Stanmore Rare Earth Element Project**

Victory announced the initial assay results from the 13,718m aircore infill resource definition drilling program at the Company's 100% owned North Stanmore Rare Earth Element Project.

The North Stanmore REE Project currently incorporates an Inferred Mineral Resource of 250Mt at 520ppm TREYO, containing a high average HREO/TREO ratio of 33%, and significant percentages of combined Dysprosium and Terbium ("DyTb") and Neodymium and Praseodymium ("NdPr") totalling 3.6% and 21.5% TREYO respectively.

The assays from an initial 237samples from 36 holes confirm long intersections and Total Rare Earth Oxide (TREO) grades up to 4,484ppm, an average grade of 763ppm (TREO) and a Heavy Rare Earth Oxide (HREO)/(TREO) ratio of 34% and significant intersections.

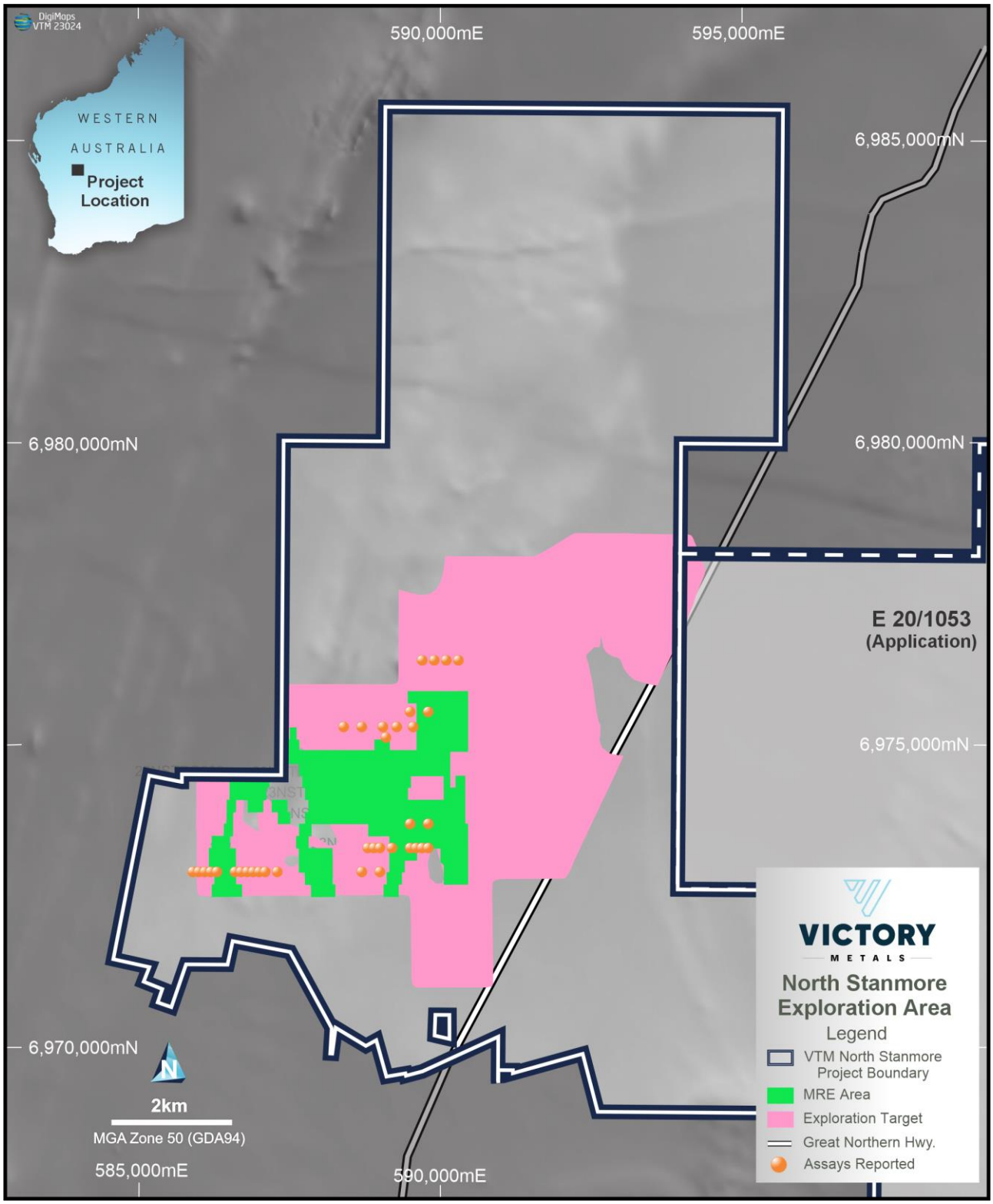


**Figure 2:** Map showing North Stanmore and the drill hole locations for the assays received to date (400ppm cut-off).

**Technical Comments:**

- Alkaline igneous intrusions are the engine rooms for producing critical metal enrichment in the Earth's crust. In these intrusions REE are typically contained in primary phosphate or carbonate minerals that require concentration and caustic acid treatment to extract these the REEs. As a result, these so-called hard rock REE deposits, require a large CAPEX for processing and REE separation. They also generate Uranium and Thorium rich by-products.

- North Stanmore, REE mineralisation with total REYO concentrations >400 ppm occurs in the regolith (weathered rock units) over the North Stanmore alkaline intrusion, from the surface to greater than 70 m.

- REEs in the North Stanmore REE-rich regolith occur either ionically attached to clay particles or as secondary phosphate minerals e.g., heavy rare earth element rich churchite after xenotime, and light to heavy rare earth enriched rhabdophane after monazite. During this process Uranium and Thorium migrate in groundwater out of the regolith. The REE rich ore therefore contains low levels of Uranium and Thorium at typical crustal abundances.

- Formation of these regolith hosted REE deposits is the result of REEs mobility during weathering (oxidation). For example, in weathered crustal profiles, Ce4+ is mobile and migrates into the uppermost weathering zone, causing Ce enrichment.

Inclusion of these new infill assay results in the revised resource model, are expected to significantly increase the size and grade of the North Stanmore MRE resource expected to be released in Q1 2024.

**Phase 3 Metallurgical Test Work Program**

Victory has appointed Core Group, Brisbane ("CORE") to carry out Phase 3 metallurgical test work program following on from Phase 2 test work on North Stanmore, Core will further develop the REE metallurgical flowsheet (Figure 3) by carrying out test work across each flowsheet step to produce at lab scale follow up MREC and by-product Nickel, Cobalt MHP and Copper Sulphate.

Core will execute the following scope of work in the Phase 3 test work program:

- Generate a large data set of leach performance for screened AC samples collected recently from North Stanmore, using a standard diagnostic leach methodology developed in Phase 2. Dataset to inform geological indicators for selecting "preferred" leachable clay domains.
- Carry out optimisation impurity removal tests on leach liquors generated within the program, further investigating impurity removal pH and alkali type. A novel counter-current precipitation process is proposed to be piloted, which has the potential to significantly reduce REE losses and provide Victory a competitive advantage.
- Carry out copper recovery test work using ion exchange (IX) to both recover copper and prevent copper reporting to the MREC product. Follow up crystallisation test work is proposed to generate a proof-of-concept copper sulphate crystal product for analysis.

Follow-up REE carbonate precipitation testing using optimised flowsheet to increase REE concentration and remove base metal impurities (Cu, Zn). A MREC product grading >50% TREO is targeted in this work.

Post MREC precipitation, carry out Ni/Co precipitation test work to generate a sighter MHP precipitate for analysis.

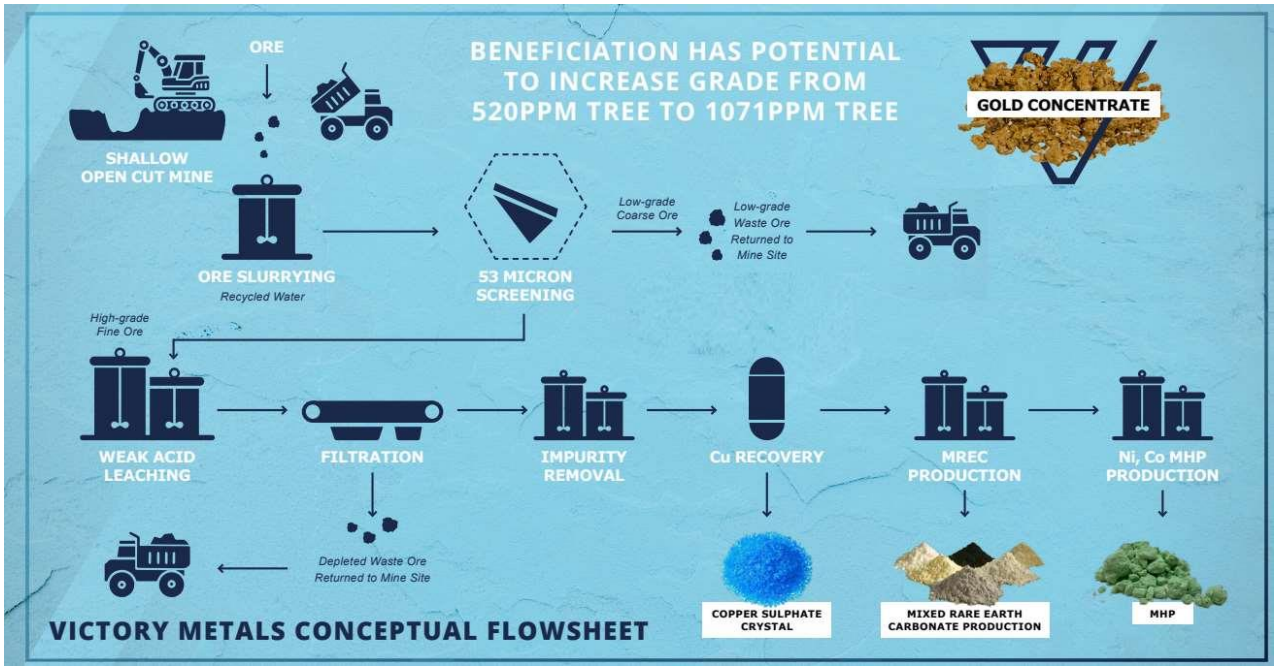


**Figure 3:** Proposed Victory conceptual flowsheet for North Stanmore REE Clay Processing.

Nickel and cobalt leached from North Stanmore samples has been shown to remain in the liquor phase through both impurity removal and MREC precipitation. This presents an opportunity to recover a Ni/Co product from the MREC discharge liquor. Two recovery options will be trialled; direct precipitation of an MHP (which may be susceptible to unacceptably high co-precipitation of Mg) or IX recovery using commercially trialled Lanxess TP220 resin.

Four precipitation tests and three IX column tests are proposed to examine the performance of Ni/Co recovery post MHP. A first-pass MHP product will be generated for detailed analysis.

## CORPORATE

### Change of Auditor

On 4 January 2024, the Company advised Hall Chadwick WA Audit Pty Ltd has been appointed as auditor of the Company. The appointment follows the resignation of the Company's previous auditor, BDO Audit Pty Ltd, in accordance with section 329(5) of the Corporations Act.

### Cashflows for the Quarter

Attached to this report is the Appendix 5B containing the Company's cash flow statement for the quarter. Exploration expenditure of $914k mainly related to exploration activities undertaken at North Stanmore REE Project net of GST refunds received on current and previous exploration expenditure. $379k expenditure on administration net of GST refunds received on current and previous administration expenditure and corporate costs of which $72k were payments made to related parties. These payments relate to the remuneration agreements for Executive and Non-Executive Directors and to SmallCap Corporate Pty Ltd ("SmallCap") for providing company

secretary, accounting and office services to the Company. Non-Executive Director James Bahen is a shareholder and director of SmallCap.

As at 31 December 2023, the Company had available cash of approximately $1.82 million.

## December 2023 Quarter – ASX Announcements

This Quarterly Activities Report contains information extracted from ASX market announcements reported in accordance with the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (2012 JORC Code). Further details (including 2012 JORC Code reporting tables where applicable) of exploration results referred to in this Quarterly Activities Report can be found in the following announcements lodged on the ASX:

| | |
|---|---|
| 4/01/2024 | Change of Auditor |
| 5/12/2023 | Significant REE Intersections and Grades Identified |
| 6/11/2023 | High Value Mixed Rare Earth Carbonate Produced |

These announcements are available for viewing on the Company's website www.victorymetalsaustralia.com. Victory confirms that it is not aware of any new information or data that materially affects the information included in any original ASX announcement.

**This announcement has been authorised by the Board of Victory Metals Limited.**
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### Victory Metals Limited: Company Profile

Victory is focused upon the exploration and development of its Rare Earth Element (REE) and Scandium Discovery in the Cue Region of Western Australia. Victory's key assets include a portfolio of assets located in the Midwest region of Western Australia, approximately 665 km from Perth. Victory's Ionic clay REE discovery is rapidly evolving with the system demonstrating high ratios of Heavy Rare Earth Oxides and Critical Magnet Metals NdPr + DyTb.

### Competent Person Statements

**Professor Ken Collerson**
Statements contained in this report relating to exploration results, scientific evaluation, and potential, are based on information compiled and evaluated by Professor Ken Collerson. Professor Collerson (PhD) Principal of KDC Consulting, and a Fellow of the Australasian Institute of Mining and Metallurgy (AusIMM), is a geochemist/geologist with sufficient relevant experience in relation to rare earth element and critical metal mineralisation being reported on, to qualify as a Competent Person as defined in the Australian Code for Reporting of Identified Mineral resources and Ore reserves (JORC Code 2012). Professor Collerson consents to the use of this information in this report in the form and context in which it appears.

**Mr. Michael Busbridge**

The historical exploration activities and results contained in this report is based on information compiled by Michael Busbridge, a Member of the Australian Institute of Geoscientists and a Member of the Society of Economic Geologists. Michael is a consultant to Victory Metals Limited. Michael has sufficient experience which is relevant to the style of mineralisation and types of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Michael Busbridge has consented to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements in relation to the exploration results. The Company confirms that the form and context in which the competent persons findings have not been materially modified from the original announcement.


***Figure 4.*** *Regional Map showing Victory Metals tenement package and pending tenements.*

## Appendix 1 – Interest in Mining Tenements

| Tenement ID | Status | Location | Interest at the beginning of the quarter | Interest acquired or disposed | Interest at the end of the quarter |
|---|---|---|---|---|---|
| E20/871 | Live | Mafeking Bore | 100% | - | 100% |
| E20/1016 | Live | Cue | 100% | - | 100% |
| E20/1053 | Application | Cue | - | - | - |
| G20/25 | Live | Victory Buttercup Mine Site | 100% | - | 100% |
| M20/128 | Live | Cuddingwarra | 100% | - | 100% |
| M20/129 | Live | Cuddingwarra | 100% | - | 100% |
| M20/263 | Live | Eaglehawk | 100% | 100% | - |
| M20/288 | Live | Cue | 100% | - | 100% |
| M20/305 | Live | Cue | 100% | - | 100% |
| M20/327 | Live | Curtis Find | 100% | - | 100% |
| M20/33 | Live | Tuckanarra | 100% | 100% | - |
| M20/360 | Live | Emily Well | 100% | - | 100% |
| M20/455 | Live | Karbar | 100% | - | 100% |
| M20/480 | Live | Nindan Hill | 100% | - | 100% |
| M20/494 | Live | Cue | 100% | - | 100% |
| M21/125 | Live | Cue | 100% | - | 100% |
| M21/143 | Live | Day Dawn | 100% | - | 100% |
| M21/158 | Live | Webbs Patch | 100% | - | 100% |
| M21/26 | Live | Day Dawn | 100% | - | 100% |
| M21/86 | Live | Day Dawn | 100% | - | 100% |
| M21/94 | Live | Day Dawn | 100% | - | 100% |
| M21/95 | Live | Day Dawn | 100% | - | 100% |
| M20/543 | Live | Emily Wells | 100% | - | 100% |
| M20/544 | Live | Mafeking Bore | 100% | - | 100% |
| M20/546 | Application | Mafeking Bore | - | - | - |
| M20/550 | Application | Mafeking Area | - | - | - |
| L20/72 | Application | Emily bore/Mafeking bore | - | - | - |
| P20/2007 | Live | Mafeking Bore | 100% | - | 100% |
| P20/2153 | Live | Cue | 100% | - | 100% |
| P20/2225 | Live | Cuddingwarra | 100% | - | 100% |
| P20/2226 | Live | Cue | 100% | - | 100% |
| P20/2248 | Live | East of Emilly Wells | 100% | - | 100% |
| P20/2249 | Live | Emily Wells | 100% | - | 100% |
| P20/2250 | Live | South of Emily Wells | 100% | - | 100% |
| P20/2331 | Live | Emily Wells | 100% | - | 100% |
| P20/2333 | Live | Jims Find | 100% | - | 100% |
| P20/2334 | Live | Jims Find | 100% | - | 100% |
| P20/2352 | Live | Cue | 100% | - | 100% |
| P20/2353 | Live | Cue | 100% | - | 100% |
| P20/2354 | Live | Cue | 100% | - | 100% |
| P20/2355 | Live | Cue | 100% | - | 100% |
| P20/2356 | Live | Cue | 100% | - | 100% |
| P20/2357 | Live | Cue | 100% | - | 100% |
| P20/2358 | Live | Cue | 100% | - | 100% |

| Tenement ID | Status | Location | Interest at the beginning of the quarter | Interest acquired or disposed | Interest at the end of the quarter |
|---|---|---|---|---|---|
| P20/2359 | Live | Cue | 100% | - | 100% |
| P20/2360 | Live | Cue | 100% | - | 100% |
| P20/2383 | Live | Cue | 100% | - | 100% |
| P20/2397 | Live | Beringarra | 100% | - | 100% |
| P20/2398 | Live | Mafeking Bore | 100% | - | 100% |
| P20/2409 | Live | Murchison | 100% | - | 100% |
| P20/2410 | Live | Murchison | 100% | - | 100% |
| P21/718 | Live | Day Dawn | 100% | - | 100% |
| P21/772 | Live | Trenton hill | 100% | - | 100% |
| P21/773 | Live | Trenton hill | 100% | - | 100% |
| P21/774 | Live | Cue | 100% | - | 100% |
| P21/775 | Live | Cue | 100% | - | 100% |
| P21/776 | Live | Cue | 100% | - | 100% |
| P20/2468 | Live | Cue | 100% | - | 100% |
| P20/2469 | Live | Cue | 100% | - | 100% |
| P20/2402 | Live | Cue | 100% | - | 100% |
| P20/2403 | Live | Cue | 100% | - | 100% |
| P20/2345 | Live | Cue | 100% | - | 100% |
| P20/2346 | Live | Cue | 100% | - | 100% |
| E51/1939 | Live | Cue North | 100% | - | 100% |
| E51/2102 | Live | Cue North | 100% | - | 100% |
| E51/2104 | Live | Cue North | 100% | - | 100% |
| E20/971 | Live | Cue North | 100% | - | 100% |

# Appendix 5B

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

| Name of entity | |
|---|---|
| Victory Metals Limited | |
| **ACN** | **Quarter ended ("current quarter")** |
| 124 279 750 | 31 December 2023 |

| | **Consolidated statement of cash flows** | **Current quarter $A'000** | **Year to date (6 months) $A'000** |
|---|---|---|---|
| **1.** | **Cash flows from operating activities** | | |
| 1.1 | Receipts from customers | - | - |
| 1.2 | Payments for | | |
| | (a) exploration & evaluation | - | - |
| | (b) development | - | - |
| | (c) production | - | - |
| | (d) staff costs | - | - |
| | (e) administration and corporate costs | (379) | (711) |
| 1.3 | Dividends received (see note 3) | - | - |
| 1.4 | Interest received | 20 | 44 |
| 1.5 | Interest and other costs of finance paid | - | - |
| 1.6 | Income taxes paid | - | - |
| 1.7 | Government grants and tax incentives | - | - |
| 1.8 | Other (R&D Tax Refund) | - | - |
| **1.9** | **Net cash from / (used in) operating activities** | **(359)** | **(667)** |

| | | | |
|---|---|---|---|
| **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 | (914) | (1,508) |
| | (e) investments | - | - |
| | (f) other non-current assets | - | (10) |

| Consolidated statement of cash flows | | Current quarter $A'000 | Year to date (6 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 | Acquisition of entity (cash acquired) | - | - |
| **2.6** | **Net cash from / (used in) investing activities** | **(914)** | **(1,518)** |

| | | | |
|---|---|---|---|
| **3.** | **Cash flows from financing activities** | - | - |
| 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 | - | 895 |
| 3.4 | Transaction costs related to issues of equity securities or convertible debt securities | - | (13) |
| 3.5 | Proceeds from borrowings | - | - |
| 3.6 | Repayment of borrowings | - | - |
| 3.7 | Transaction costs related to loans and borrowings | - | - |
| 3.8 | Dividends paid | - | - |
| 3.9a | Proceeds from issues of equity securities to be allotted | - | - |
| 3.9b | Repayment of lease liabilities | - | - |
| **3.10** | **Net cash from / (used in) financing activities** | **-** | **882** |

| | | | |
|---|---|---|---|
| **4.** | **Net increase / (decrease) in cash and cash equivalents for the period** | | |
| 4.1 | Cash and cash equivalents at beginning of period | 3,088 | 3,118 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (359) | (667) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | (914) | (1,518) |

| Consolidated statement of cash flows | | Current quarter $A'000 | Year to date (6 months) $A'000 |
|---|---|---|---|
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | - | 882 |
| 4.5 | Effect of movement in exchange rates on cash held | - | - |
| **4.6** | **Cash and cash equivalents at end of period** | **1,815** | **1,815** |

| 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 | 815 | 588 |
| 5.2 | Call deposits | 1,000 | 2,500 |
| 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)** | **1,815** | **3,088** |

| 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* | 72 |
| 6.2 | Aggregate amount of payments to related parties and their associates included in item 2 | - |

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

* *Payments in relation to Director's fees for the period.*

| 7. | **Financing facilities**<br>*Note: the term "facility' includes all forms of financing arrangements available to the entity.*<br>*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. | **Estimated cash available for future operating activities** | **$A'000** |
|---|---|---|
| 8.1 | Net cash from / (used in) operating activities (item 1.9) | (359) |
| 8.2 | (Payments for exploration & evaluation classified as investing activities) (item 2.1(d)) | (914) |
| 8.3 | Total relevant outgoings (item 8.1 + item 8.2) | (1,273) |
| 8.4 | Cash and cash equivalents at quarter end (item 4.6) | 1,815 |
| 8.5 | Unused finance facilities available at quarter end (item 7.5) | - |
| 8.6 | Total available funding (item 8.4 + item 8.5) | 1,815 |
| 8.7 | **Estimated quarters of funding available (item 8.6 divided by item 8.3)** | 1.4 |

*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: No, the Company completed an extensive infill drill program and had extensive assay costs across its North Stanmore Project during the quarter. The upcoming quarter is focussed on metallurgy test work and the completion of an upgraded JORC resource which generally have less costs associated to these activities compared to extensive drilling an assays activities experienced during the previous quarter.

| | |
|---|---|
| 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: As an active exploration company, the Company is in regular discussions with financiers who can potentially assist with funding the Company's further exploration programs. | |
| 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: Yes, based on the answers provided in 8.81 and 8.8.2. | |
| *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: .....22 January 2024.....

Authorised by: .....The Board of Directors of the Company.....
(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.