

QUARTERLY ACTIVITIES REPORT

for period ending 31 December 2023

Fast Facts

ASX Code: ERW

Board of Directors

Thomas Reddcliffe
(Exec Chairman)

George Ventouras
(Exec Director)

Bruce Garlic
(Non-Exec Director)

Key Projects

Andover West
(Lithium & Nickel)

Binti Binti (Gold)

Errabiddy
(Gold & Nickel-Copper)

Fraser Range
(Nickel-Copper-PGE)

About

Errawarra Resources (Est. 2012)

Errawarra Resources Ltd is an exploration company with a focus on lithium, gold and nickel-copper in Western Australia.

During the 2nd Quarter (October - December 2023):

- Andover West (Lithium, Nickel-Copper):** Exploration during the quarter was focused on the methodical mapping, sampling of pegmatite outcrop and reconnaissance soil sampling in the northwest portion of the Andover West project tenement which resulted in;
 - **new lithium pegmatite discovered**
 - rock chip assay results up to **0.90% Li₂O**
 - lithium anomalous reconnaissance soil samples report up to **424ppm Li₂O** from 250 sample program
 - a **4.4km strike lithium soil anomaly** interpreted
 - Follow-up rock chip and soil samples taken with results pending
- Errabiddy (Graphite/Gold):** Errawarra continues to assess the potential of graphite and gold prospects identified within tenement E09/2457;
 - a strong conductive zone 2km to the north of the Graphite Bull Deposit identified with a **strike of 10km** and with previous surface samples reporting up to **14.4% total graphitic carbon**
 - a gold in soil anomaly with a surface extent of 3,000m x 700m and with a peak soil value of **234ppb Au** has been identified
- Fraser Range (Nickel-Copper-PGE)/Binti Binti (Gold):** These two foundation projects remain under review with the Company assessing options for potential divestment or joint venture.
- Corporate:** The Company had \$3.8 million cash on hand as of 31 December 2023. Mr B. Garlic appointed as non-independent non-executive director to the Board

Goals the 3rd Quarter (January - March 2024):

- Andover West (Lithium, Nickel-Copper):** Continued reconnaissance and follow-up rock chip and soil sampling. Complete permitting including heritage surveys to allow drill testing of selected lithium soil anomalies and pegmatites
- Errabiddy (Graphite/Gold):** Ongoing exploration will remain focused on;
 - assessing the prospectivity for graphite in the interpreted conductive zone 1.5km north of the Graphite Bull Deposit
 - follow-up surface sampling to determine the source and significance of an interpreted 3,000m x 700m gold in soil anomaly
- Fraser Range (Nickel-Copper-PGE)/Binti Binti (Gold):** These two foundation projects remain under review with the Company assessing options for potential divestment or joint venture.
- Project Generation:** The Company will continue to seek and review exploration and acquisition opportunities particularly in favourable jurisdictions which could complement its focus on the green technology metals nickel, copper and PGM's with a preference for advanced projects with high value potential.

EXPLORATION

ANDOVER WEST

The Andover West Project is located 30km south-east of Karratha with exploration initially targeting only mafic intrusion hosted nickel-copper mineralisation. However, in light of the significant LCT pegmatite discovery reported by Azure Minerals and its ongoing evaluation has highlighted the potential for LCT pegmatite on Errawarra's adjoining tenement. The prospectivity of the area was further enhanced with the discovery of a significantly mineralised pegmatite by Raiden Resources which also adjoins Errawarra's tenement. With the Andover area now a hotspot for lithium pegmatite discoveries Errawarra is continuing to focus its efforts on the discovery and evaluation of lithium pegmatites following the identification of pegmatite on its project tenement.

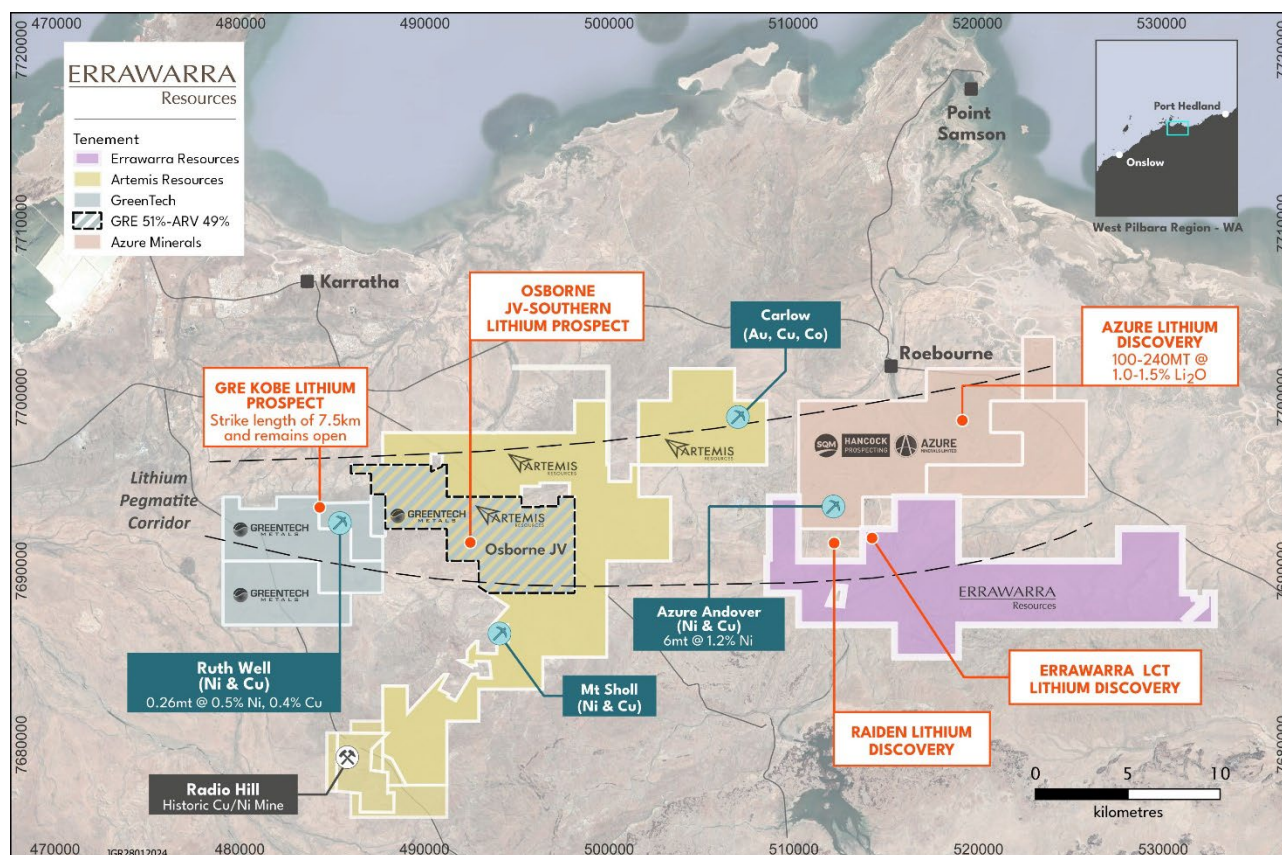


Figure 1. Regional map with Errawarra's Andover West project

Ground reconnaissance soil and rock chip sampling is continuing at the Andover West project as the Company expands its investigations along the southern periphery of the Andover Mafic Intrusion. This Andover Intrusion is not only host to the lithium pegmatite discoveries made by Azure but also the more recent lithium pegmatite discovery announced by Raiden Resources. The Raiden discovery is of particular significance as it has opened up a new avenue of exploration by highlighting the southern portion of the Andover Intrusion as being prospective for lithium pegmatite. The Raiden discovery, where rock chip samples returned a high of **2.73% Li₂O¹**, is ~2km east of numerous lithium anomalous pegmatites previously reported by Errawarra. Errawarra recently announced the more significant discovery of a lithium pegmatite only 600m to the east of the Raiden discovery and which reported **a peak assay value of 0.9% Li₂O**. This close spatial association with the Raiden discovery makes the Errawarra results highly encouraging and in conjunction with Raiden's discovery suggests a separate lithium pegmatite event distinct from the Azure discovery which is located some 8km to the northeast. Azure Minerals recently announced an exploration target of 100Mt -240Mt @ 1.0% Li₂O - 1.5% Li₂O².

¹ Refer to Raiden Resources Ltd ASX announcement dated 10 October 2023.

² Refer to Azure Minerals Ltd ASX announcement dated 7 August 2023.

To test the soil covered terrain around the southern margin of the Andover Mafic Intrusion an initial reconnaissance soil sampling program comprising 240 samples was taken on a 400m x 100m grid. The results of this sampling identified numerous lithium soil anomalies, **with a peak assay value of 197ppm Li (424ppm Li₂O)**. The significant interpreted anomalies were as follows;

- A strong lithium soil anomaly was found to be associated with the lithium pegmatite discovered by Errawarra and with the soil anomaly **potentially extending the pegmatite trend 800m to the east** within soil covered terrain.
- A persistent broad east-west trending soil anomaly with several lithium in soil hot spots and with a strike of some 4.4km. The linear nature of this anomaly and the elevated lithium anomalism could be indicative of a lithium pegmatite zone.
- A discrete two sample anomaly on the southern margin of the sample grid and with a peak value of 250ppm Li₂O is suggestive of a lithium pegmatite and warrants follow-up.

On receipt of the above results Errawarra completed a second reconnaissance soil sampling program which aimed to extend the initial sampling grid further to the east and to the south (Figure 3). The results of this second program which comprised over 300 samples and which was completed in early January are still awaited.

The results of the soil sampling and rock chip sampling received to date strongly suggest that the broad Karratha-Roebourne Lithium Corridor may extend further to the south than initially envisaged which would greatly enhance the prospectivity of Errawarra's tenement for lithium pegmatite. With this strong encouragement from sample results Errawarra will not only be following up the targets identified to date but will also extent its reconnaissance sampling footprint within the tenement.

The Company has also commenced the process of getting permitting approvals including heritage clearances to enable the future drill testing of targets in selected areas.

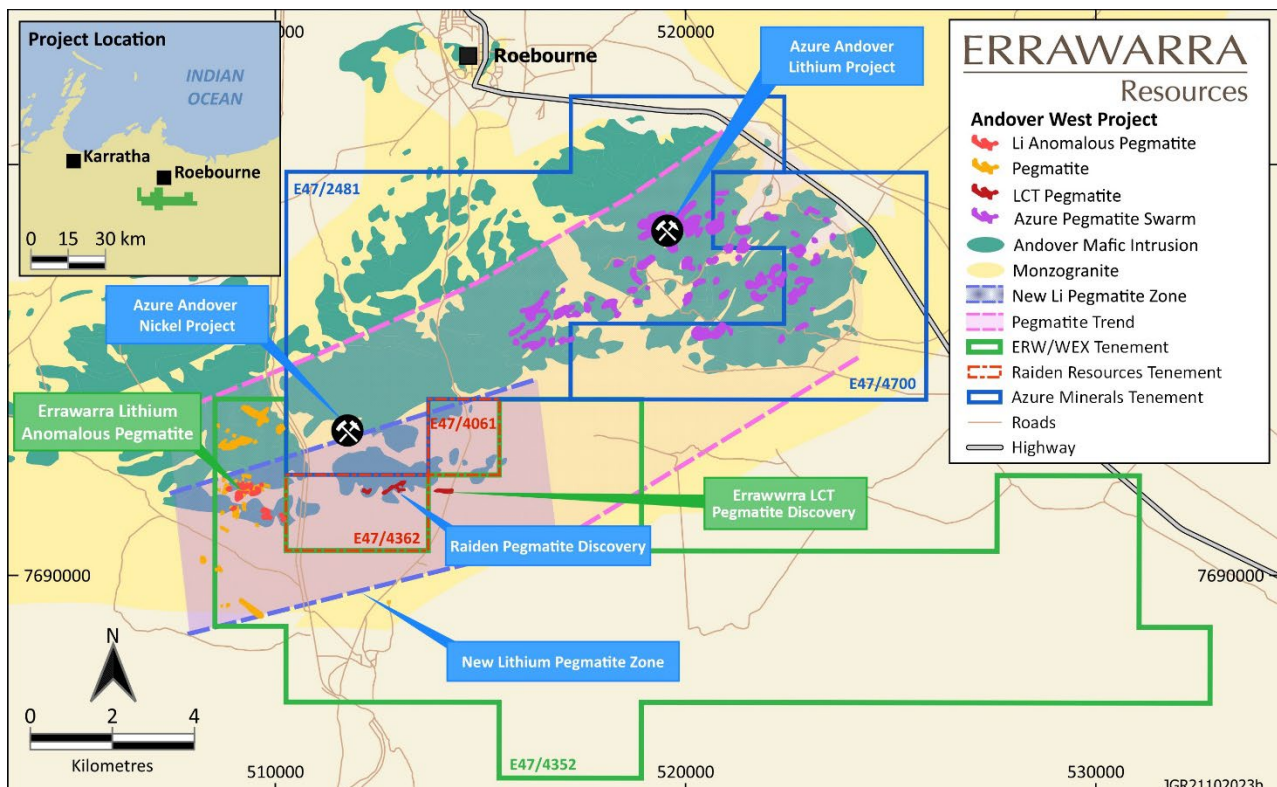


Figure 2. Andover West target areas

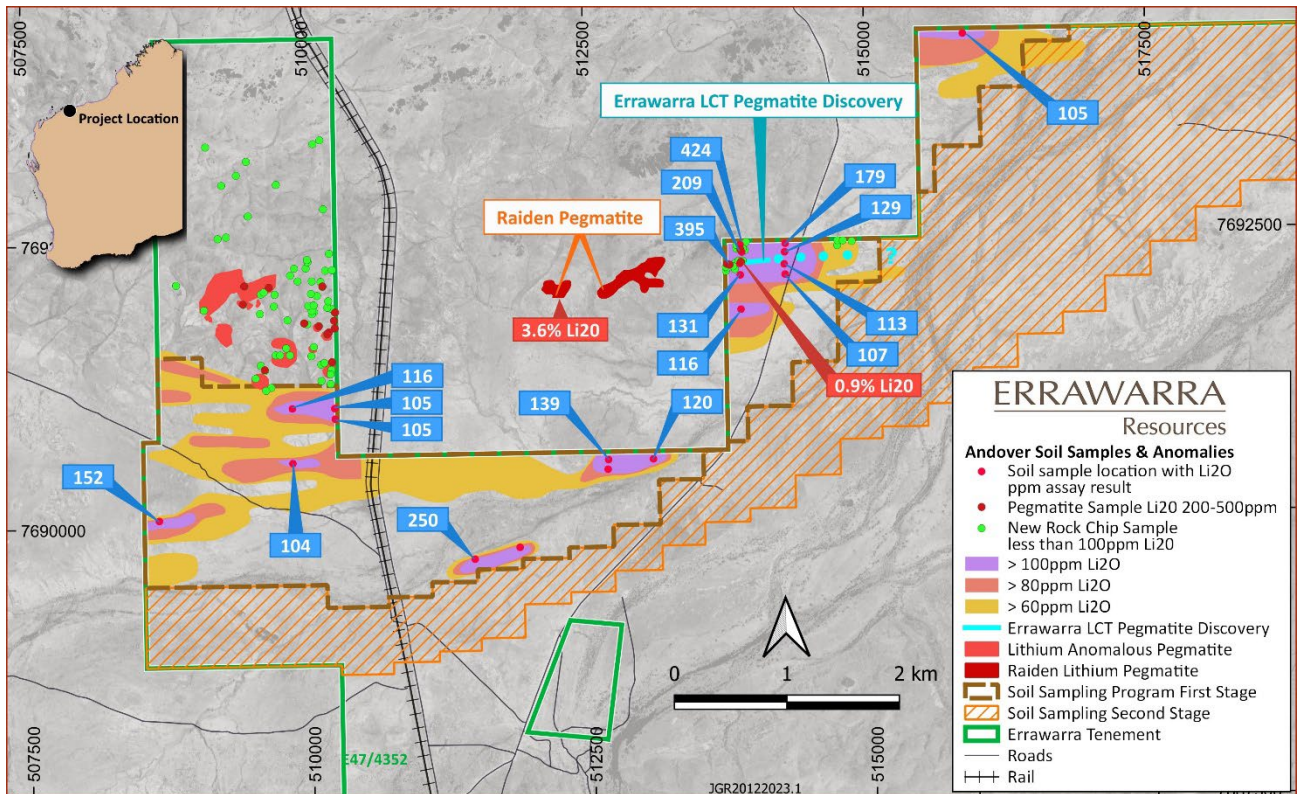


Figure 3 Soil sample and rock chip assay results

ERRABIDDY

The Errabiddy project comprises 8 tenements covering an area of approximately 1,000km² which are considered prospective for Ni, Cu, Au, REE's, Li and graphite. The results from routine reconnaissance prospecting, soil sampling and rock chip sampling which was previously undertaken on the project by Errawarra has resulted in an initial focus on graphite and gold.

Graphite

Errawarra has previously reported graphite occurrences on its Errabiddy tenement E09/2457 in proximity to the Graphite Bull deposit which is being evaluated by Buxton Resources and who has reported a resource of 4Mt @ 16.2% TGC (Buxton Resources Ltd, ASX Announcement, 24 October 2014).

During 2023 Errawarra completed Loupe EM surveys and merged this data with historic VTEM survey data revealing not only a western extension of the conductor associated with the Graphite Bull Deposit but also a strong conductive zone approximately 2km to the north of Graphite Bull. Previous sampling by Errawarra has confirmed graphite associated with this northern conductive zone which can be traced in the Loupe EM data for over a 10km strike length. Errawarra is continuing with its evaluation of this prospect.

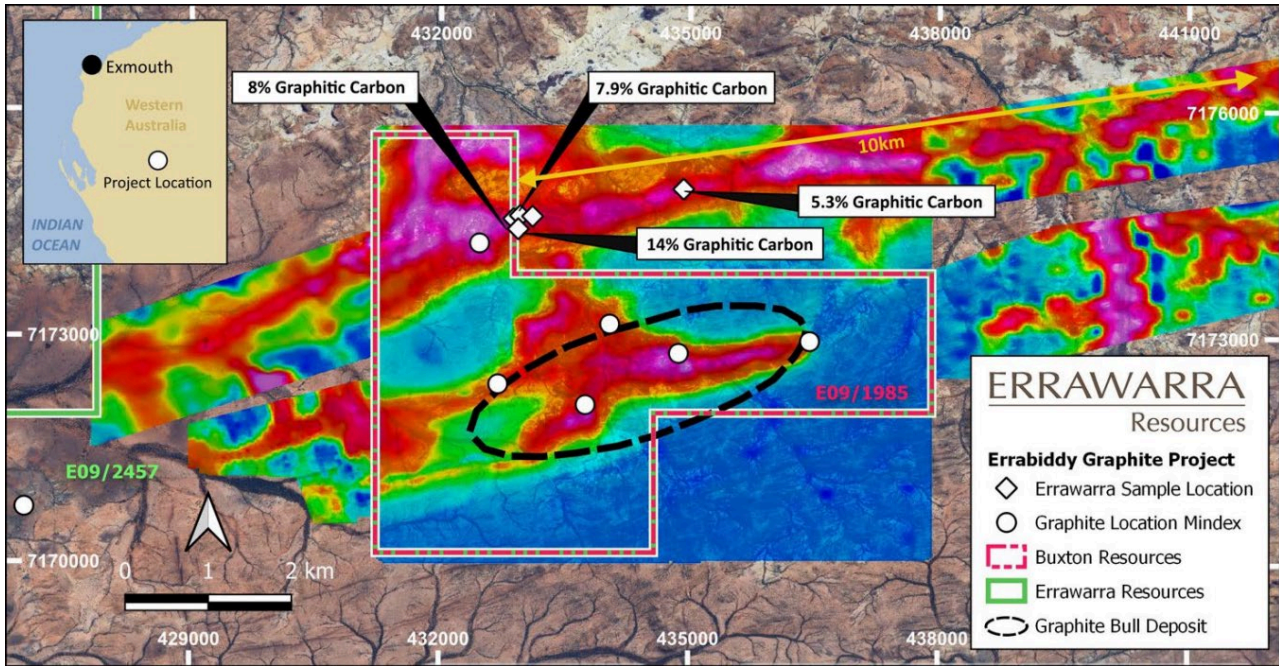


Figure 4. Graphite prospect at Errabiddy

Gold

As part of regional reconnaissance sampling completed during 2023 a stream geochemical gold anomaly located 10km southeast of the graphite project was investigated by undertaking reconnaissance soil sampling. The soil sampling grid was 300m x 100m with 462 samples collected and with the anomaly coincident with quartz and Fe rich rocks hosted within granitic terrain. The most significant result is a gold in soil anomaly with a surface extent of 3,000m x 700m with a **peak soil value of 234ppb Au** and which is coincident with a narrow northeast trending magnetic anomaly. The significance of this anomaly which is located on tenement E09/2457 is being assessed with respect to its potential for associated gold mineralisation. Further exploration activity will focus on identifying the host bedrock source for the gold.

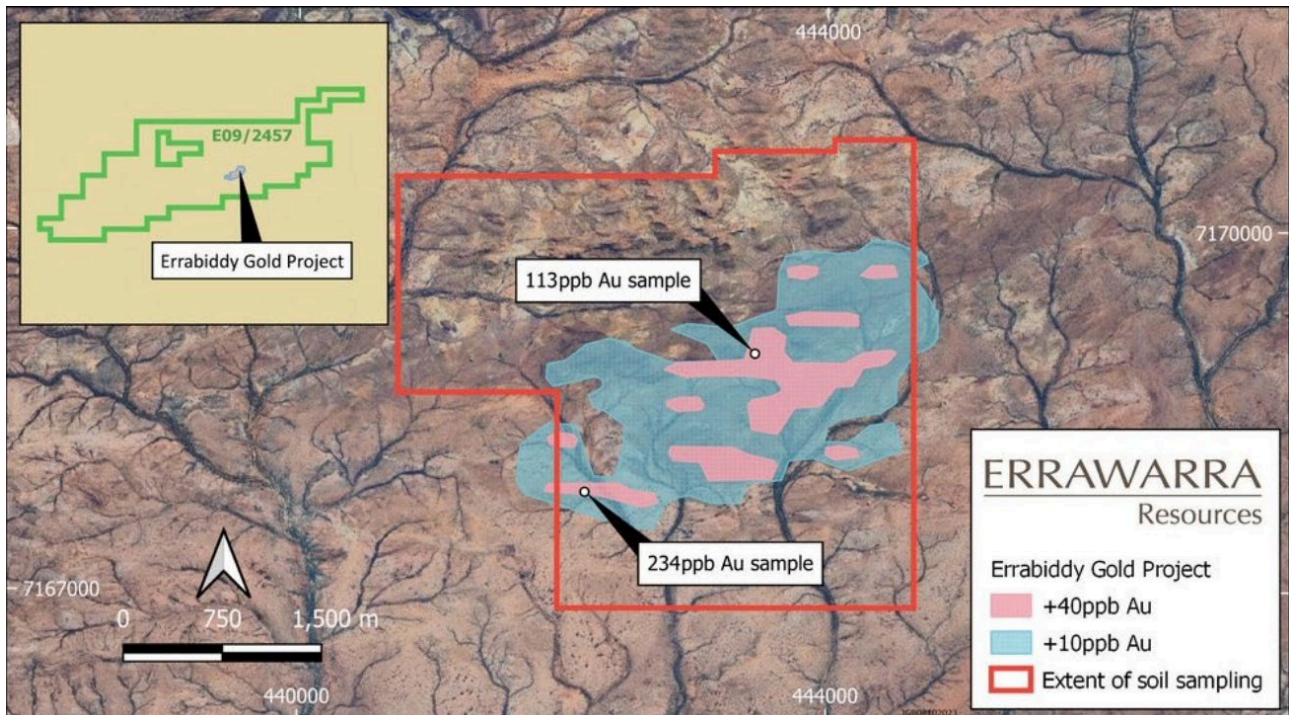


Figure 5. Gold prospect at Errabiddy

Other Projects

The Fraser Range project covers a total area 105km². No work was undertaken during the quarter and the Company continues to assess corporate opportunities with respect of this project.

CORPORATE AND FINANCE

Corporate

Errawarra advised that Mr Bruce Garlick was appointed as a non-independent non-executive director to the Board and was elected at the Annual General Meeting (**AGM**) held in October 2023. All resolutions put at the AGM were passed by shareholders.

Issue capital

The capital structure of the Company as of 31 December 2023 was:

Capital Structure	
Ordinary fully paid shares	95,920,669
Unlisted options exercisable at \$0.30 on or before 26 November 2024	1,800,000
Unlisted options exercisable at \$0.30 on or before 3 December 2024	1,800,000
Unlisted Options exercisable at \$0.30 on or before 21 April 2025	7,500,000
Unlisted Options exercisable at \$0.25 on or before 29 June 2025	1,000,000
Unlisted Options exercisable at \$0.25 on or before 25 September 2025	1,500,000
Unlisted Options exercisable at \$0.25 on or before 30 November 2025	1,500,000
Unlisted Options exercisable at \$0.40 on or before 21 April 2026	2,000,000
Unlisted Options exercisable at \$0.18 on or before 30 October 2026	3,525,000
Performance Rights Class B on or before 21 April 2027	5,000,000

Finance

The Company had \$3.8 million cash on hand as of 31 December 2023.

Related Party payments for the quarter outlined in Appendix 5B at section 6.1 and 6.2 total \$77,000 and include amounts paid to directors for salary, directors' fees and statutory superannuation.

-ENDS-

This ASX announcement has been authorised for release by Thomas Reddcliffe, Chairman on behalf of the Board of Directors.

For further information, please contact:

Tom Reddcliffe
Executive Chairman
Errawarra Resources Ltd
E: info@errawarra.com

Competent Person Statement

Thomas Reddcliffe, BSc (Hons), MSc, a Director and Shareholder of the Company, is a Fellow of the AUSIMM, and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration 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'. Thomas Reddcliffe consents to the inclusion in the report of the information in the form and context in which it appears.

ASX ANNOUNCEMENTS

ASX announcements referenced in this release include:

Date	Announcement Title
12/10/2023	Ground Reconnaissance Continues at Andover West
23/10/2023	Board Change
23/10/2023	Initial Director's Interest Notice (BMG)
23/10/2023	Final Director's Interest Notice (JB)
24/10/2023	AGM Results
30/10/2023	Application for quotation of securities - ERW
30/10/2023	Notification regarding unquoted securities - ERW
30/10/2023	Notification of cessation of securities - ERW
30/10/2023	Updated Capital Structure & Cleansing Notice
30/10/2023	Change of Director's Interest Notice (TR)
30/10/2023	Quarterly Activities and Cash Flow Reports
09/11/2023	Errabiddy Exploration Update
14/11/2023	Change in substantial holding - Bennelong
14/11/2023	Change in substantial holding - Sorrento
14/11/2023	Investor Presentation
24/11/2023	Change of Principal Place of Business
06/12/2023	New LCT Pegmatite Discovery at Andover West
22/12/2023	Andover West Exploration Update

TENEMENT SCHEDULE**Current**

Tenement number	Interest		
	Start	End	Note
Location: Errabiddy, Australia¹			
E09/2346	80%	80%	3
E09/2410	100%	100%	
E09/2440	100%	100%	
E09/2457	100%	100%	
E09/2459	100%	100%	
E52/3838	100%	100%	
E09/2652	100%	100%	
E09/2602	100%	100%	

Tenement number	Interest		
	Start	End	Note
Location: Fraser Range, Australia¹			
E63/1771	70%	70%	4
E63/1941	70%	70%	4
Location: Binti Binti, Australia¹			
E27/0577	80%	80%	3
Location: Andover West, Australia²			
E47/4352	80%	80%	5

Note:

- 1 Errawarra Pty Ltd (**ERR**) is a wholly owned subsidiary of Errawarra Resources Ltd. ERR is the registered holder of the tenements.
- 2 Western Exploration Pty Ltd (**WEX**) is an 80% interest owned subsidiary of Errawarra Resources Ltd. WEX is the registered holder of the tenement.
- 3 ERR holds 80% of all minerals rights, title and interests.
- 4 ERR holds 70% of all minerals rights, title and interests.
- 5 WEX hold all mineral rights except the Fe rights at the Andover West project.

Application

Nil.

Relinquished or Lapsed

Tenement number	Interest		
	Start	End	Note
Location: Binti Binti, Australia			
E27/0603	0%	0%	1
E31/1298	100%	0%	

Note:

- 1 ERW withdrawn from the exclusive rights to the earn-in of up to 80% interest agreement.

Appendix 5B

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

Name of entity

ERRAWARRA RESOURCES LTD

ABN

95 155 472 834

Quarter ended ("current quarter")

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	(211)	(857)
(b) development	-	-
(c) production	-	-
(d) staff costs	(22)	(46)
(e) administration and corporate costs	(236)	(438)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	30	37
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes received/(paid)	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(439)	(1,304)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(85)	(85)
(d) exploration & evaluation	-	-
(e) investments	-	-
(f) other non-current assets	-	-

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) / from other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	(85)	(85)

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	2,723	4,250
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	-	-
3.4 Transaction costs related to issues of equities, securities or convertible debt securities	(209)	(271)
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	2,514	3,979

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	1,858	1,258
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(439)	(1,304)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(85)	(85)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	2,514	3,979

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
4.5 Effect of movement in exchange rates on cash held	-	-
4.6 Cash and cash equivalents at end of period	3,848	3,848

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	3,848	1,858
5.2 Call deposits	-	10
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)	3,848	1,868

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	77
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	
6.1 Director fees, statutory superannuation and reimbursements. Geological services, business development services, admin services, and office rent.	

7. Financing facilities <i>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.</i>	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)	(439)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(439)
8.4 Cash and cash equivalents at quarter end (item 4.6)	3,848
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	3,848
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	8.77
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: 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.

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 January 2024

Authorised by: Thomas Reddicliffe, Executive Chairman

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.