

ASX: ANX

29 APRIL 2024

## MARCH 2024 QUARTERLY ACTIVITIES REPORT

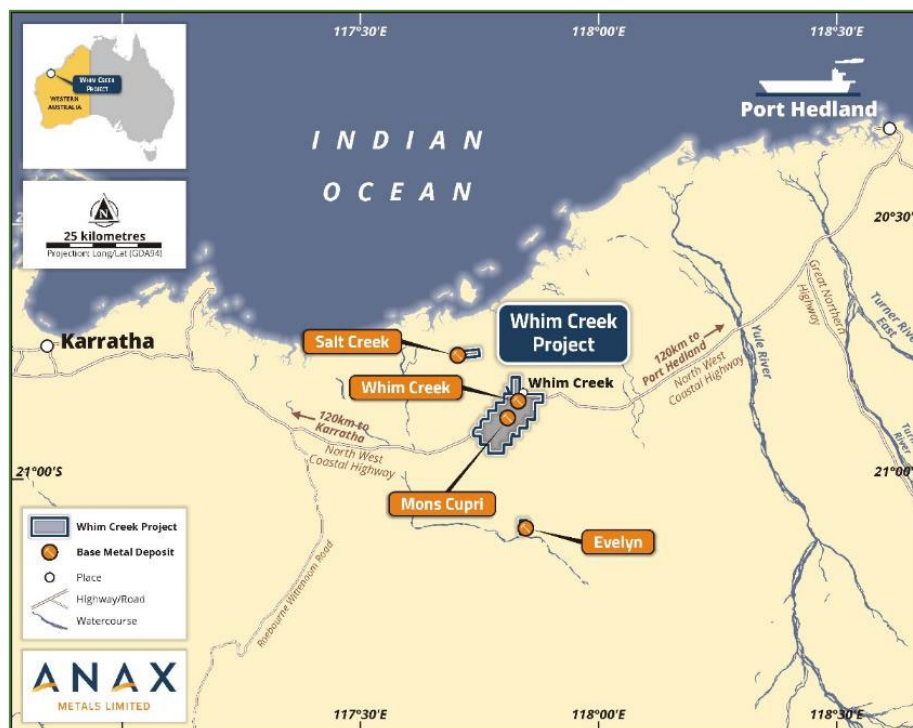
*Anax Metals Limited – “consolidating base metals production in the Pilbara”*

### Highlights of the Quarter ended 31 March 2024

- ▲ Anax and Develop Global commence a Scoping Study to evaluate the treatment of high-grade oxide/transitional ores from Sulphur Springs at Whim Creek
- ▲ Sulphur Springs oxide ore study a key step for the Whim Creek hub strategy
- ▲ Non-binding debt-funding proposals for Project Development received
- ▲ Several base metal anomalies identified at Mt Short JV in auger drilling

### Project Development – Whim Creek Project (ANX 80% - DVP 20%)

Anax Metals Ltd (**Anax** or **Company**) continues to advance its flagship Whim Creek Copper-Zinc JV Project (the **Project**) located in the Pilbara region of Western Australia (Figure 1).



**Figure 1: Whim Creek Project Location in the Pilbara Region of Western Australia**

In April 2023, Anax released the results of its Definitive Feasibility Study (**DFS**) for Whim Creek, The DFS demonstrated a technically and economically robust polymetallic project and strategic processing hub development in the Pilbara.<sup>1</sup> The DFS considered processing sulphide ore from the Mons Cupri, Whim Creek, Evelyn and Salt Creek deposits through a proposed new 400 kilotonnes per annum (ktpa) concentrator.

In addition to the sulphide concentrate production, Anax also intends to use the fully permitted existing heap leach facility to produce copper cathode and zinc sulphate. Heap leaching is anticipated to begin in the second year of operation and the modest refurbishments costs (estimated to be under A\$10M) would be funded out of operational cashflow.

A heap leach Scoping Study, released in September 2023, was underpinned by column leaching test work that achieved **copper extraction of 80% and zinc extraction of 90%** from low grade sulphide ore.<sup>2,3</sup>

The Whim Creek Project is forecast to produce an average of 12,000 tonnes of Copper Equivalent (CuEq) per annum consisting of 62Kt of copper, 97Kt of zinc and 20Kt of lead over an 8-year mine-life (Table 1).

**Table 1: Forecast Saleable Metal production from Whim Creek (Concentrator + Heap)**

Saleable Metal Produced over 8 year LOM	Total Production <sup>1 &amp; 2</sup> (Kt/ kOz)	Copper Equivalent * (Kt)
Copper	62	62
Zinc	97	19
Lead	20	4
Silver	3,216	7
Gold	25	4
<b>Total LOM CuEq production</b>		<b>96</b>

*\*Refer to Copper Equivalent calculation later in this announcement*

A summary of the key financial metrics of the previously released studies are presented below in Table 2.

**Table 2: Key financial metrics of the combined sulphide and heap leach Whim Creek Project\***

Metric	Concentrator (DFS)	Heap Leach Contribution**	Combined Project <sup>2</sup>
Pre-Production Capex	\$ 71M	(\$10 M)	\$ 71 M
Operating Costs (mining, processing, freight and admin)	\$ 628 M	\$ 46 M	\$ 674 M
Operational Cashflow	\$ 451 M	\$ 85 M	\$ 536 M
Free Cashflow (before financing and tax)	<b>\$ 340 M</b>	<b>\$ 71 M</b>	<b>\$ 411 M</b>
IRR	54.3%	n/a	55.3%
Payback	20 months	n/a	23 months
NPV (7%)	\$ 224 M	n/a	\$ 270 M

\*Reported on a 100% Project Basis. Anax has an 80% interest in the project and will contribute 80% of costs and receive 80% of financial outcomes.

\*\*Heap Leach Capex to be committed in Y2 of operations and paid from operating cashflow

The Whim Creek Project remains a **robust development option** that would be **highly profitable in the current commodity price environment**.

### Project Growth (Consolidation)

Since completing the DFS, Anax has promoted Whim Creek as a regional processing hub, with an expanded **potential production capacity of 20,000 tonnes CuEq per annum**, split approximately 50/50 between the concentrator and the heap. The Company believes that the Project will provide a processing solution for several assets located within trucking distance and that these assets have the potential to substantially increase the production profile at Whim Creek. Anax intends to establish a Pilbara Base Metal Alliance to facilitate collaboration with base metal asset owners in the region.

A significant first step to this goal is **the commencement of a scoping study**, announced by Joint Venture partners, Anax and DVP during the Quarter.<sup>4</sup> The study will investigate the **feasibility of transporting oxide ores from DVP's 100%-owned Pilbara Sulphur Springs deposit to Whim Creek, where ore would be heap leached** to produce saleable copper and zinc products. **The oxide/transitional ores** subject to the studies are outside DVP's Definitive Feasibility Study and Reserves and Production Target announced in June 2023, and **could represent a material new revenue stream to DVP and the Joint Venture**.

The processing hub studies will focus on the recently refurbished heap leach infrastructure and downstream solvent extraction and electrowinning facilities. Anax intends to **leverage off infrastructure already in place** to control costs and maximise the production of copper cathode. The original heap leaching operation at Whim Creek was capable of producing 15ktpa of copper cathode. Studies will focus on the production **of up to 10ktpa of copper cathode**.

In addition, the production of zinc sulphate and hydroxide products will be considered. Recovery of zinc as a refined or partially refined product has the potential to add significant value to the project. Zinc sulphate (crystal), amongst other applications, is an important component in a range of fertilizers.

## **Project Finance**

Anax is also pleased to have received non-binding debt-funding proposals for the Project from both commodity traders and mining funds. Technical due diligence by these groups is being undertaken.<sup>5</sup>

The Company has also been approached by overseas vertically integrated manufacturers interested in providing Project funding in return for securing concentrates and cathode offtake. Due diligence by these Companies has commenced.

The Company is considering all proposed funding packages and will update the market with further details in due course, once binding terms are agreed.

## **Permitting**

All major regulatory approvals to enable development of the Project have been received.

## **Lithium Exploration - Whim Creek Project (ANX 80% - DVP 20%)**

In the previous quarter, Anax completed regional mapping and gridded soil sampling at the Whim Creek Dome Prospect, as part of its assessment of the Whim Creek belt's base metal and lithium prospectivity.<sup>6</sup> Regional mapping and rock chip sampling have so far focused on the Whim Maar and Loudens Patch areas, and coverage was extended to the central Whim Creek Dome area. Results have been received and have not highlighted any new anomalies.

Requests for heritage surveys over previously identified anomalies have been submitted ahead of potential drilling and/or trenching. Heritage surveys are awaited, following which Programme of Work applications will be submitted for drilling and/or trenching.

## Mount Short Joint Venture (ANX 100%, WML Earning 70%)

In August 2023, the Company announced that it had executed a Farm-in and Joint Venture (JV) agreement with Woomera Mining Ltd (ASX: **WML**).<sup>7</sup>

The Mt Short Project covers 64km<sup>2</sup> of the Archean Ravensthorpe Greenstone Belt and surrounding granites and is located approximately 13 km north of Allkem's Mount Cattlin lithium mine. Historical drilling has focused on nickel, with several drill holes intersecting pegmatites, though not analysed for lithium.

### Principal Agreement Terms:

- WML must spend \$150,000 within nine months of signing the agreement.
- If WML elects to continue with the project after meeting the minimum commitment, it shall pay Anax a cash payment of \$50,000.
- WML may earn a 70% interest by funding expenditure of \$1.5m over three years.
- Anax may then elect to contribute or reduce to a 20% interest free carried to a Decision to Mine.
- If WML makes a Decision to Mine, Anax may contribute its 20% or reduce to a 1.5% royalty.

WML completed four RC holes at Mount Short in January 2024, with pegmatites intersected in two of the four holes drilled.<sup>8</sup> Assays for these, as well as RC holes completed on the tenement in the previous quarter, were received during the Quarter. No anomalous lithium intersections were returned.<sup>9</sup>

In December 2023, WML completed a total of 1,523 auger samples over a 400 x 50 m spacing. Assay results from the auger programme were received during the Quarter and identified a number of anomalies that include:

- A > 1.2km long, contiguous lithium anomaly (150ppm Li<sub>2</sub>O).
- A > 1km long, coincident gold (>20ppb) / tellurium (up to 0.8ppm) / arsenic (up to 3,270 ppm).
- A coincident nickel (4,090 ppm) / copper (437 ppm) anomaly.<sup>10</sup>

WML subsequently completed an infill auger sampling programme, and results from this programme are expected in 2024.<sup>11</sup>

During the Quarter WML met its initial minimum commitment on the Project, and elected to proceed to farm-in to the JV, by paying Anax \$50,000 plus GST in cash, in accordance with the terms of the agreement.

## Research and Development

During the Quarter, Anax continued to participate in collaborative research and development projects which drive innovation in sustainable mining practices.

Anax continued to contribute to the **Future Battery Industries Cooperative Research Centre (FBICRC)** Process Legacy Project alongside other members, including BHP, IGO, Lynas Corporation and Lithium Australia, and to **International Copper Association of Australia (ICAA)** research publications in the series – Roadmap to Zero Emission Copper Mine of the Future (Roadmap to Zero).

In addition, bioleaching testwork on low grade primary sulphides continues at the CSIRO facilities in Perth. Column testwork on primary ore is ongoing.

## Compliance

For the purpose of Listing Rule 5.3.1, during the Quarter, the Company confirms it spent \$919,482 on its exploration, site upgrade and feasibility activities, of which \$870,000 related to the Whim Creek project. The total spend for Whim Creek comprised \$368,016 on-site maintenance and consumables; \$88,238 expenditure on environmental monitoring; \$162,772 expenditure on feasibility studies and permitting and \$250,974 expenditure on direct exploration and tenure.

For the purpose of Listing Rule 5.3.2, the Company confirms that there were no mining production and development activities during the Quarter by the Company or its subsidiaries.

For the purpose of Listing Rule 5.3.5, the Company confirms that \$110,812 in directors' fees were paid during the Quarter (inclusive of \$10,981 statutory superannuation). In addition to the director fees, payments to related parties of the Company and their associates during the Quarter totalled \$55,649\*, comprising of:

- \$9,900\* paid to Holiho Pty Ltd (a related party of Mr Phillip Jackson) for corporate consulting services;
- \$35,200\* to Philuchna Pty Ltd (a related party of Phil Warren) for corporate advisory services, and
- and \$10,549\* to Nexus Bonum Pty Ltd (a related party of Geoff Laing) for engineering consulting services.

The above amounts are included at Item 6 of the attached Appendix 5B and were made on an arm's length basis. A total of \$4,400\* is owed to related parties on 31 March 2024.

\* Inclusive of GST.

## Corporate

### Equity Raise

On 29 January 2024, the Company announced that it received firm commitments to raise \$2.1 million (before costs) via a two-tranche placement of 104 million new fully paid ordinary shares

(Shares) in the Company to institutional, sophisticated and professional investors.<sup>12</sup> The Shares were issued at an issue price of \$0.02 per share (**Placement**) with each investor receiving a one for two free attaching unlisted option, exercisable at \$0.06 each and expiring on 31 December 2025 (**Placement Options**), for every Share subscribed for. Net proceeds of the Placement will be principally used to advance the development and funding for the Whim Creek Project, progress near-mine exploration and evaluate regional consolidation opportunities.

The following securities were issued pursuant to the Placement:

- 57,430,322 Shares (**Tranche 1**) utilising the Company's existing placement capacity pursuant to ASX Listing Rules 7.1 on 6 February 2024.
- 46,869,142 Shares and 52,149,732 free-attaching Placement Options (together **Tranche 2**) on 15 April 2024 as approved by shareholders on 28 March 2024.
- 5,000,000 unlisted options (exercisable at \$0.06 each and expiring 31 December 2025) to Lead manager, Veritas Securities (**Veritas**), on 15 April 2024 as approved by shareholders on 28 March 2024.
- One unlisted option (exercisable at \$0.06 each and expiring 31 December 2025) for every one dollar raised under the Placement, to Veritas and/or other participating broker groups (or their nominee(s) on 6 February 2024.

### Loan Note Agreements

On 29 January 2024, the Company announced that it had entered into an unsecured loan note agreement with major shareholder Jetosea Pty Ltd (**Jetosea**), whereby Jetosea agreed to loan the Company \$600,000 until 30 June 2025 at an interest rate of 6% per annum.<sup>12</sup>

Pursuant to the terms of the loan agreement, the Company issued Jetosea 20,000,000 unquoted options exercisable at \$0.03 each and expiring 2 years after the issue date (**Loan Options**), as approved by shareholders on 28 March 2024.

As at 31 March 2024, the Company held a total of \$3.1M in unsecured loan notes from Jetosea.

### Performance Rights

During the Quarter:

- a) 4,500,000 rights previously issued to employees expired without vesting and were cancelled,
- b) 2,600,000 vested performance rights previously issued under the Company's employee incentive plan were exercised, and
- c) 1,500,000 vested performance rights previously issued under the Company's employee incentive plan were exercised.

Subsequent to Quarter end, 16,500,000 performance rights were issued to directors of the Company (or their respective nominee(s)) (**Director Performance Rights**), as follows:

- a) 4,000,000 to Phillip Jackson;
- b) 3,000,000 to Peter Cordin
- c) 4,500,000 to Philip Warren; and
- d) 5,000,000 to Geoffrey Laing

Director Performance Rights were pursuant to shareholder approval on 28 March 2024. Refer to Notice of General Meeting lodged on the ASX Market Announcements Platform 27 February 2024 for further details.

### Share Capital

As at 26 April 2024, the capital structure of the Company is as follows:

Quoted Securities	Number
Fully paid ordinary shares	591,317,098
Unquoted Securities	Number
Unlisted options expiring 13 Dec 2025 ex \$0.12	15,000,000
Unlisted options expiring 13 Dec 2024 ex \$0.08	15,000,000
Unlisted options expiring 29 June 2026 ex \$0.10	10,000,000
Unlisted options expiring 31 Dec 2025 ex \$0.06	83,805,150
Unlisted options expiring 28 May 2024 ex \$0.105	2,000,000
Unlisted options expiring 5 Feb 2026 ex \$0.03	20,000,000
Performance Rights <sup>1</sup>	26,000,000

<sup>1</sup> Various vesting and performance milestones

### Available Cash

Proceeds from Tranche 1 of the Placement and the Jetosea Loan received during the Quarter provided additional funding of \$1,748,606 before costs for operations.

The attached Appendix 5B provides further details on the cash movements during the Quarter.

On 31 March 2024, Anax **held \$2,077,182** in available cash.

The issue of Tranche 2 placement shares subsequent to Quarter-end provided additional cash available for operations of \$937,383 (before costs).

This Quarterly Report is authorised for release by the Board.



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### References

The information provided in this report was summarised from the following Anax Announcements to the ASX:

1. *Whim Creek Definitive Feasibility Study, 3 April 2023 (ASX:ANX)*
2. *Whim Creek Heap Leach Scoping Study, 11 September 2023 (ASX:ANX)*
3. *Bioleaching success to boost Whim Creek metal production, 19 June 2023 (ASX:ANX)*
4. *Develop and Anax Joint Study of Sulphur Springs High Grade, 28 March 2024 (ASX:ANX)*
5. *Whim Creek Production Hub and Exploration Update, 10 April 2024 (ASX:ANX)*
6. *Lithium Anomalous Zones Confirmed at Whim Creek, 18 September 2023 (ASX:ANX)*
7. *Anax enters Farm-In and Joint Venture Agreement at Mt Short, 14 Aug 2023 (ASX:ANX)*
8. *Completion of RC Drilling Program at Ravensthorpe, 17 January 2024 (ASX:WML)*
9. *Results of RC Program at Ravensthorpe Lithium Projects, 12 February 2024 (ASX:ANX)*
10. *Auger Results from Mt Short JV, 22 February 2024 (ASX:ANX)*
11. *Drilling commenced at Wyloo Dome – Updated Announcement, 20 March 2024 (ASX:ANX)*
12. *Capital Raising, 29 January 2024 (ASX:ANX)*
13. *Notice of meeting, 27 February 2024 (ASX:ANX)*

## Competent Persons' Statement

*The information in this report that relates to Exploration Results is based on and fairly represents information compiled by Mr Andrew McDonald. Mr McDonald is an employee and shareholder of Anax Metals Ltd and is a member of the Australian Institute of Geoscientists. Mr McDonald has sufficient experience of relevance to the style of mineralisation and types of deposits under consideration, and to the activities undertaken to qualify as a Competent Person 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 McDonald consents to the inclusion in this report of the matters based on information in the form and context in which they appear.*

*The Ore Reserves and Mineral Resources Statement is based on and fairly represents information and supporting documentation prepared by competent and qualified independent external professionals and reviewed by the Company's technical staff. The Ore Reserves and Mineral Resources Statement have been approved by Andrew McDonald, a Competent Person who is a Member of the Australian Institute of Geoscientists. Mr McDonald is a permanent employee and shareholder of Anax Metals Limited. Mr McDonald has consented to the inclusion of the Statement in the form and context in which it appears in this report.*

*The information in the report that relates to production targets and forecast financial information derived from production targets is summarised from the ASX announcements as referenced. The Company confirms that all the material assumptions underpinning the production target and the forecast financial information derived from the production target in the original announcement continue to apply and have not materially changed.*

## JORC 2012 Resources and Reserves

*The information in this report that relates to the Mineral Resource for Mons Cupri was first reported by the Company in accordance with Listing Rule 5.8 in the Company's prospectus dated 18 September 2020 and was completed in accordance with the guidelines of the JORC Code (2012). The Company confirms that it is not aware of any new information or data that materially affects the information included in the prospectus and that all material assumptions and technical parameters underpinning the estimate in the prospectus continue to apply and have not materially changed.*

*The information in this report that relates to the Mineral Resource for Whim Creek was first reported by the Company in accordance with Listing Rule 5.8 in the ASX Release of 25 May 2021 and was completed in accordance with the guidelines of the JORC Code (2012). The Company confirms that it is not aware of any new information or data which materially affects the information included in the original announcement and that all material assumptions and technical parameters underpinning the estimate in the original announcement continue to apply and have not materially changed.*

*The information in this report that relates to the Mineral Resource for Salt Creek was first reported by the Company in accordance with Listing Rule 5.8 in the ASX Release of 12 September 2022 and was completed in accordance with the guidelines of the JORC Code (2012). The Company confirms that it is not aware of any new information or data which materially affects the information included in the original announcement and that all material assumptions and technical parameters underpinning the estimate in the original announcement continue to apply and have not materially changed.*

*The information in this report that relates to the Mineral Resource for Evelyn was first reported by the Company in accordance with Listing Rule 5.8 in the ASX Release of 4 October 2022 and was completed in accordance with the guidelines of the JORC Code (2012). The Company confirms that it is not aware of any new information or data which materially affects the information included in the original announcement and that all material assumptions and technical parameters underpinning the estimate in the original announcement continue to apply and have not materially changed.*

*The information in this report that relates to the Ore Reserves was first reported by the Company in accordance with Listing Rule 5.9 in the ASX Release of 3 April 2023 and was completed in accordance with the guidelines of the JORC Code (2012). The Company confirms that it is not aware of any new information or data which materially affects the information included in the original announcement and that all material assumptions and technical parameters underpinning the estimate in the original announcement continue to apply and have not materially changed.*

**Table 3: Whim Creek Project Global Copper Dominant Mineral Resource Estimates**

Deposit	Classification	kTonnes	Cu %	Zn %	Pb %	Ag ppm	Au ppm
<b>Mons Cupri</b> (Cu ≥ 0.4%)	Measured	990	1.62	1.42	0.61	38	0.28
	Indicated	3,130	0.84	0.47	0.20	16	0.09
	Inferred	400	0.60	0.22	0.10	10	0.03
<b>Salt Creek</b> (Cu ≥ 0.8% & Zn < 2.5%)	Measured	-	-	-	-	-	-
	Indicated	1,070	2.03	0.23	0.03	4	0.08
	Inferred	650	1.25	0.28	0.04	4	0.05
<b>Whim Creek</b> (Cu ≥ 0.4%)	Measured	-	-	-	-	-	-
	Indicated	1,750	1.10	0.63	0.16	6	0.04
	Inferred	660	0.56	0.17	0.08	2	0.02
<b>Evelyn</b> (No Cut-off)	Measured	-	-	-	-	-	-
	Indicated	470	2.47	3.97	0.29	42	1.00
	Inferred	120	2.84	3.62	0.20	37	0.92
<b>Combined</b>	Measured	990	1.62	1.42	0.61	38	0.28
	Indicated	6,420	1.23	0.73	0.17	13	0.14
	Inferred	1,830	0.96	0.44	0.08	7	0.09
<b>Total Cu Resources</b>		<b>9,240</b>	<b>1.22</b>	<b>0.75</b>	<b>0.20</b>	<b>15</b>	<b>0.15</b>
<b>Contained t/Oz</b>			<i>Cu t</i>	<i>Zn t</i>	<i>Pb t</i>	<i>Ag oz</i>	<i>Au oz</i>
			<b>112,000</b>	<b>69,000</b>	<b>18,000</b>	<b>4,330,000</b>	<b>43,700</b>

Note: The reported Mineral Resource estimates are inclusive of the Ore Reserves. Appropriate rounding applied.

**Table 4: Whim Creek Project Global Zinc Dominant Mineral Resource Estimates**

Deposit	Classification	kTonnes	Cu %	Zn %	Pb %	Ag ppm	Au ppm
<b>Mons Cupri</b> (Zn ≥ 2.0% & Cu < 0.4%)	Measured	70	0.16	4.56	1.79	53	0.23
	Indicated	340	0.09	3.56	1.01	38	0.07
	Inferred	150	0.08	4.84	1.96	27	0.04
<b>Salt Creek</b> Zn ≥ 2.50%	Measured	-	-	-	-	-	-
	Indicated	770	0.58	9.91	2.97	73	0.39
	Inferred	225	0.53	5.70	1.88	31	0.14
<b>Whim Creek</b> (Zn ≥ 2.0% & Cu < 0.4%)	Measured	-	-	-	-	-	-
	Indicated	120	0.12	3.22	0.44	12	0.08
	Inferred	45	0.13	2.46	0.40	9	0.04
<b>Combined</b>	Measured	70	0.16	4.56	1.79	53	0.23
	Indicated	1,230	0.40	7.55	2.20	58	0.27
	Inferred	450	0.34	5.07	1.75	27	0.10
<b>Total Zn Resources</b>		<b>1,750</b>	<b>0.37</b>	<b>6.75</b>	<b>2.05</b>	<b>50</b>	<b>0.22</b>
<b>Contained t/Oz</b>			<i>Cu t</i>	<i>Zn t</i>	<i>Pb t</i>	<i>Ag oz</i>	<i>Au oz</i>
			<b>7,000</b>	<b>118,000</b>	<b>36,000</b>	<b>2,790,000</b>	<b>12,600</b>

Note: The reported Mineral Resource estimates are inclusive of the Ore Reserves. Appropriate rounding applied.

**Table 5: Whim Creek Project Ore Reserve**

Classification	Deposit	Mine Type	Ore Mt	Cu %	Zn %	Pb %	Ag ppm	Au ppm
Proven	Mons Cupri	Open Pit	1.06	1.46	1.58	0.68	38	0.28
	<b>Sub-total</b>		<b>1.06</b>	<b>1.46</b>	<b>1.58</b>	<b>0.68</b>	<b>38</b>	<b>0.28</b>
Probable	Mons Cupri	Open Pit	1.49	0.83	1.08	0.47	23	0.14
	Whim Creek	Open Pit	0.72	1.54	1.14	0.15	7	0.06
	Evelyn	Underground	0.50	2.11	3.32	0.22	34	0.88
	Salt Creek	Underground	0.79	1.57	6	1.83	48	0.27
	<b>Sub-total</b>		<b>3.49</b>	<b>1.32</b>	<b>2.52</b>	<b>0.67</b>	<b>27</b>	<b>0.26</b>
Totals	Mons Cupri	Open Pit	2.55	1.09	1.29	0.56	29	0.20
	Whim Creek	Open Pit	0.72	1.54	1.14	0.15	7	0.06
	Evelyn	Underground	0.50	2.11	3.32	0.22	34	0.88
	Salt Creek	Underground	0.79	1.57	6.00	1.83	48	0.27
<b>Total Proven and Probable Reserves</b>			<b>4.55</b>	<b>1.36</b>	<b>2.30</b>	<b>0.68</b>	<b>29</b>	<b>0.26</b>

Note: The Mineral Resource estimates are inclusive of Ore Reserves. Appropriate rounding applied.

## COPPER EQUIVALENT CALCULATIONS

The copper equivalent (CuEq) calculation adjusts individual grades for all metals included in the metal equivalent calculation applying the following modifying factors: metallurgical recoveries, payability and metal prices. The factors are used to generate a CuEq value for zinc, lead, silver and gold and are calculated based on the following formula:

$$\begin{aligned} \text{CuEq\%} = & (\text{Cu grade} \times \text{Cu price} \times \text{Concentrator Recovery} \times \text{Cu Payability} \\ & + \text{Zn grade} \times \text{Zn price} \times \text{Concentrator Recovery} \times \text{Zn Payability} \\ & + \text{Pb grade} \times \text{Pb price} \times \text{Concentrator Recovery} \times \text{Pb Payability} \\ & + \text{Ag grade} \times \text{Ag price} \times \text{Concentrator Recovery} \times \text{Ag Payability} \\ & + \text{Au grade} \times \text{Au price} \times \text{Concentrator Recovery} \times \text{Au Payability}) \\ & \div \text{Cu price.} \end{aligned}$$

Commodity prices used: Cu = US\$8,800/t, Zn = US\$2,600/t, Pb = US\$2,100/t, Au = US\$2,000/oz and Ag = US\$25/oz (FX Rate: A\$0.65 : US\$1).

The following concentrator recoveries were applied in the CuEq calculation: Cu = 90%, Zn = 85%, Pb = 80%, Au = 60% and Ag = 60%.

It is Anax's opinion that all the elements included in the metal equivalents calculation set out above have a reasonable potential to be recovered and sold. However, the commercial recovery and sale of any products from the Company's project are subject to a number of risks and uncertainties.

## Appendix 1

In accordance with Listing Rule 5.3.3. Anax provides the following information in relation to its mining tenements.

### 1. Tenements held at the end of the Quarter and their location:

<b>Project</b>	<b>Tenement Number</b>	<b>Status</b>	<b>Location</b>	<b>Beneficial Percentage Interest</b>
<b>Mount Short</b>	E74/651	Live	Phillips River Mineral Field	100%
<b>Loudens Patch</b>	E47/4281	Live	Pilbara	100%
<b>Whim Creek</b>	L47/0036	Live	Pilbara	80%
<b>Whim Creek</b>	M 47/236	Live	Pilbara	80%
<b>Whim Creek</b>	M 47/237	Live	Pilbara	80%
<b>Whim Creek</b>	M 47/238	Live	Pilbara	80%
<b>Whim Creek</b>	M 47/323	Live	Pilbara	80%
<b>Whim Creek</b>	M 47/324	Live	Pilbara	80%
<b>Whim Creek</b>	M 47/443	Live	Pilbara	80%
<b>Whim Creek</b>	E 47/3495	Live	Pilbara	80%
<b>Liberty Indee</b>	M 47/1455	Live	Pilbara	80%

### 2. Tenements acquired during the Quarter and their location: None

### 3. Tenements disposed of during the Quarter and their location: None

## Appendix 5B

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

Name of entity

ANAX METALS LIMITED

ABN

46 106 304 787

Quarter ended ("current quarter")

31 MARCH 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(12)	(62)
(b) development		
(c) production		
(d) staff costs	(261)	(834)
(e) administration and corporate costs	(151)	(408)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	4	7
1.5 Interest and other costs of finance paid	(63)	(154)
1.6 Income taxes paid		
1.7 Government grants and tax incentives		-
1.8 Other (provide details if material)	44	75
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(439)</b>	<b>(1,376)</b>

1.8 includes receipt of \$50k payment from Woomera Resources Limited upon their election to continue farming into the Mt Short tenement, partially offset by \$5k net GST payments.

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(3)	(14)
(d) exploration & evaluation	(907)	(2,477)
(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 (9 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) <sup>2</sup>	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(910)</b>	<b>(2,491)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,149	4,017
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	23
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(115)	(271)
3.5	Proceeds from borrowings	600	600
3.6	Repayment of borrowings	-	(72)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material) <sup>2</sup>	(29)	(64)
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>1,605</b>	<b>4,233</b>

<sup>2</sup>Premises and site equipment lease repayments

<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	1,821	1,711
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(439)	(1,376)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(910)	(2,491)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,605	4,233



## 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 (9 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>2,077</b>	<b>2,077</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	596	114
5.2	Call deposits	1,481	1,707
5.3	Bank overdrafts	-	-
5.4	Other (Credit card)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>2,077</b>	<b>1,821</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	156
6.2	Aggregate amount of payments to related parties and their associates included in item 2	10

*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.*

Item 6.1 includes \$99,831 directors' fees, \$10,981 statutory superannuation; \$50,590 (ex GST) in consulting fees to related entities, and \$5,059 GST. On 31 March 2024, there was an additional \$4,000 plus GST in outstanding payments to related parties.

## 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)	-	-
<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)	(439)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(907)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(1,346)
8.4 Cash and cash equivalents at quarter end (item 4.6)	2,077
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	2,077
<b>8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	<b>1.54</b>
<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?	
Yes.	
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?	
Yes.	
On 28 March 2024, shareholders approved the issue of Tranche 2 Placement Shares pursuant to the Capital Raise announced in January 2024 at an extraordinary general meeting. The subsequent issue of Tranche 2 Placement Shares on 15 April 2024 provided \$937,383 additional cash (before costs) to fund operations.	

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


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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?

Refer 8.8.2 above.

*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: 29 April 2024

Authorised 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.