

30 April 2020

## Significant Norwegian Nickel Sulphide Option Acquisition

### Highlights

#### Norway Nickel (100% Option)

- Execution of a 12-month Option Agreement, with the ability to subsequently purchase a 100% interest, in **3 advanced nickel sulphide** projects in Norway, geologically analogous to the giant **Voisey's Bay** Canadian nickel deposit.
- The package of advanced nickel sulphide projects comprises the **Espedalen, Sigdal and Hosanger** projects in southern and west-central Norway.
- The Espedalen Project, currently contains the following two nickel deposits:
  - *Stormyra deposit* comprising **1.16Mt @ 1% Ni, 0.42% Cu & 0.04% Co** and classified as Inferred in accordance with JORC (2012); and
  - *Dalen deposit* comprising **7.8Mt @ 0.3% Ni, 0.12% Cu & 0.02% Co** and classified as Inferred in accordance with JORC (2012).
- The Stormyra Mineral resource is **open at depth** with drilling to determine if the Mineral Resource can be expanded and to further investigate encouraging drill intersections including:
  - **21.1m @ 1.75% Ni, 0.66% Cu & 0.06% Co** from 64m in hole ES2005-20
  - **7.1m @ 2.68% Ni, 1.26% Cu & 0.08% Co** from 29.3m in hole ES2005-22
  - **14.6m @ 1.74% Ni, 0.79% Cu & 0.06% Co** from 80.4m in hole ES2004-09
- The Espedalen Project has **10 prospects** warranting additional drilling with nickel intersections greater than **5m @ >1% Ni**.
- The Sigdal Project contains a **geophysical conductor** associated with historical mine workings, which has only been tested with two short drill holes, with one hole returning grades over **10g/t gold** with encouraging nickel and copper mineralisation including:
  - **1.48m @ 0.36% Ni, 0.43% Cu, 10.1g/t Au, & 2.9g/t Ag** from 22.6m in hole ER2006-13
- The Hosanger Project contains the Litland nickel mine which produced **460,000t** of nickel ore grading **1.05% Ni, 0.35% Cu and 0.05% Co** from 1915 and which remains open at depth

#### Other Projects

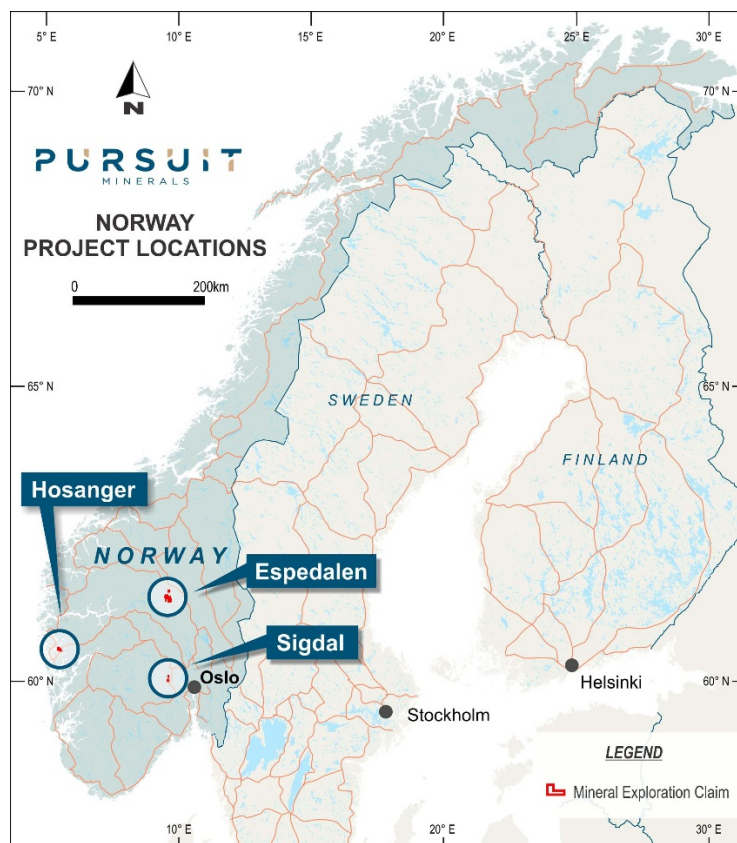
- Discussions continued with several potential partners who have the technical and financial capability to assist Pursuit to advance its vanadium projects in Sweden and Finland.
- The Company continues to assess acquisition and joint venture opportunities in relation to other mineral resource projects.

## Exploration Activities

### Norway Nickel Projects<sup>1</sup>

During the quarter, Pursuit entered into a 12-month Option Agreement to purchase 100% interests in the Espedalen, Sigdal and Hosanger advanced nickel sulphide projects in southern and west-central Norway (the **Projects**). The Projects are currently owned by Eurasian Minerals Sweden AB (**Eurasian**), a wholly owned subsidiary of EMX Royalty Corporation (**EMX**).

**Figure 1 – Norway Nickel Projects Locations**



<sup>1</sup> See Pursuit Minerals ASX Announcement 17 February 2020 for full details of the Norwegian Nickel Projects including the exploration results and Mineral Resource Estimates presented in this Quarterly Report. The Company is not aware of any new information or data that materially affects the information included in the referenced ASX announcement and confirms that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

### Espedalen Project

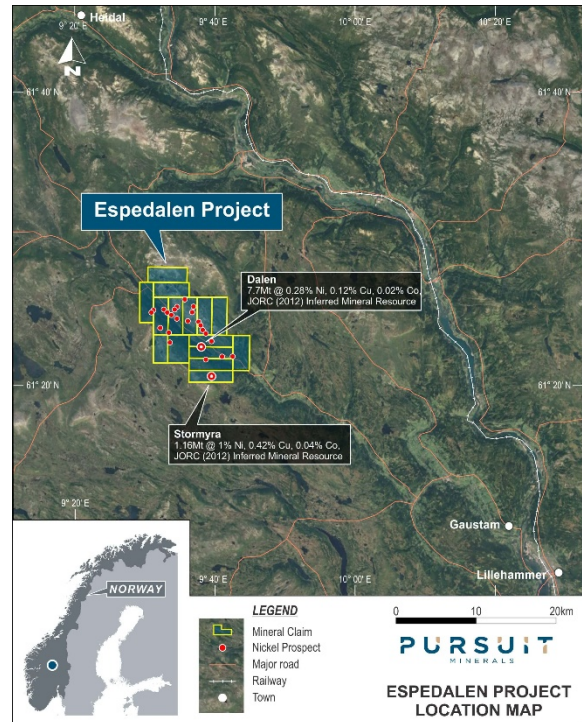
The Espedalen Project is located approximately 50km north-west of Lillehammer in southern central Norway, 3 hours' drive north of Oslo. The project is well served with transport infrastructure being accessible by tarmac roads and is close to rail links to ports in southern Norway and to Glencore's Nikkelverk nickel refinery located 350km to the south.

The known nickel mineralisation on the Espedalen Project is hosted within differentiated mafic and ultramafic bodies which have intruded anorthositic country rocks collectively referred to as the "Espedalen Complex" and range in age from 1698 – 1250 Ma. This age range is similar to the age of

the rocks hosting the giant Voisey's Bay nickel deposit in Labrador, Canada. Further evidence supporting the analogy between Espedalen and Voisey's Bay are tectonic plate reconstructions which place southern Norway and Labrador in relatively close proximity during the time of formation of Voisey's Bay and with the two regions undergoing similar tectonic developments.

Mining in the Espedalen area dates from 1666. Total production from the Espedalen region is estimated at 100,000 @ 1.0% Ni, 0.4% Cu and 0.6% Co. Significant exploration has been undertaken in the area. The majority and most recent work having been completed by Falconbridge Limited and Blackstone Ventures Limited having completed 134 drill holes across the Espedalen project area, defining significant accumulations of nickel sulphides at the Stormyra and Dalen prospects and generating numerous other quality prospects.

In 2009, Blackstone published a NI 43-101 report detailing Mineral Resources at the Stormyra and Dalen prospects. Blackstone relinquished the Espedalen Project in 2011 following the GFC. ASX listed Drake Resources Limited (now renamed Ragnar Metals Limited) acquired the Espedalen Project in 2012. Drake refined the Mineral Resources at Stormyra and Dalen prospects in accordance with JORC (2012).



The Mineral Resource at the Stormyra prospect was defined as **1.16Mt @ 1% Ni, 0.42% Cu, 0.04% Co**, at a US\$100/t gross metal value cut-off and was classified as Inferred in accordance with JORC (2012).

The Mineral Resource at Dalen prospect has been defined at **7.8Mt @ 0.28% Ni, 0.12% Cu, 0.02% Co**, at a US\$40/t gross metal value cut-off and was classified as Inferred in accordance with JORC (2012).

In addition to defining JORC (2012) compliant mineral resources at Stormyra and Dalen, Drake identified **10 prospects** where drilling by Blackstone had intersected at least **5m @ >1% Ni** which were **never** followed up. EMX undertook a detailed compilation of all the past mineral exploration and drilling data and recognised that the Stormyra Mineral Resource is not closed off and a number of intersections warrant follow up drilling, to determine if the Mineral Resource can be expanded, including:

- **21.1m @ 1.75% Ni, 0.66% Cu & 0.06% Co** from 64m in hole ES2005-20
- **7.1m @ 2.68% Ni, 1.26% Cu & 0.08% Co** from 29.3m in hole ES2005-22
- **14.6m @ 1.74% Ni, 0.79% Cu & 0.06% Co** from 80.4m in hole ES2004-09

The Stormyra Mineral Resource contains a high-grade core, with drill intersections of up to **2.9% Ni**. The high-grade core is not fully defined by drilling. Additional investigation of this high-grade core is warranted along with drill testing a ground geophysical conductor, directly associated with the nickel mineralisation, which extends 500m to the south-east of the currently defined limits of the Stormyra Mineral Resource.

At the Megrund prospect, nine holes were previously drilled, a number of which justify follow up drilling including:

- **117m @ 0.31% Ni & 0.12% Cu** (Hole ES 07 101)
- **56m @ 0.72% Ni & 0.22% Cu** (Hole 17)
- **54m @ 0.36% Ni & 0.14% Cu** (Hole 25)
- **36m @ 0.57% Ni & 0.24% Cu** (Hole 6)

On the Espedalen Project, Pursuit will focus its assessment and exploration activities on the following:

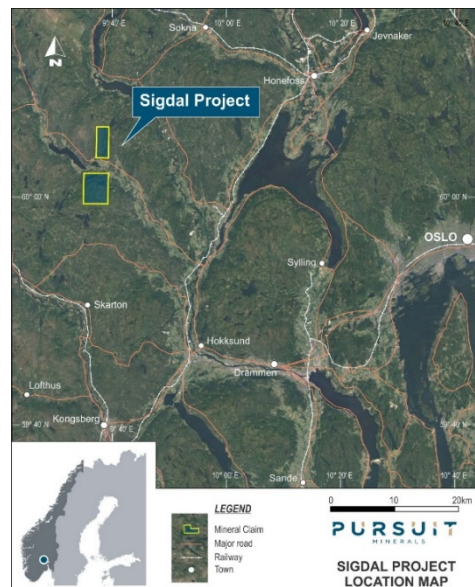
- Assess the potential to expand the high-grade core of the Stormyra Inferred Mineral Resource;
- Test a number of the targets of >5m @ >1% Ni; and
- Assess the potential to define a maiden Inferred Mineral Resource from the existing drill holes at the Megrund prospect.

## Sigdal Project

The Sigdal Project comprises two exploration licences granted in April 2018, covering the historical nickel occurrences of Grågalten and Ramstad.

The Ramstad Ni-Cu deposit consists of minor historical mine workings over a strike length of around 1 km in a north-south direction, approximately 4 km north of the town of Prestfoss. The historical mine produced around 7t of nickel during 1874-1877. The nickel mineralisation is hosted within a metagabbro intrusion which most probably comprises several lenses within a granitic gneiss. The main historical mine workings comprise a 25m long by 5-10m wide, north-south orientated open pit in a metagabbro containing disseminated mineralisation of pyrrhotite and chalcopyrite.

In 2006, Blackstone Ventures completed a ground EM survey which located a prospective conductor associated with the known sites of historical nickel production at Grågalten and Ramstad. Blackstone tested the ground EM conductor with two relatively short drill holes completed in 2006, confirming the presence of nickel mineralisation at the two historical prospects.



Drill hole ER2006-13 drilled on the north side of the historical prospects returned highly anomalous assay values for Ni, Cu and grades up to **10g/t gold** at drill depths of 22 metres and 36 metres as follows:

- 22.62m – 24.10m (1.48m) @ 0.36% Ni, 0.43% Cu, **10.1g/t Au**, & 2.9g/t Ag
- 35.55 – 36.00m (0.45m) @ 0.94% Ni, 0.88% Cu, 0.05g/t Au & 4.0g/t Ag

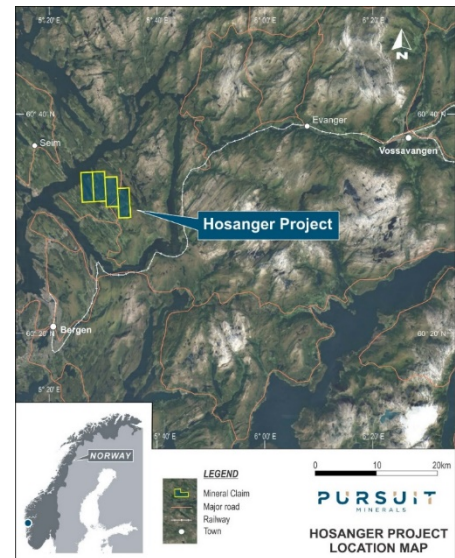
The geophysical conductor is coincident with the old mine workings and the mineralized horizon hosting these shallow, anomalous Ni-Cu-Au drill intersections. Based on the encouraging results from the Blackstone drilling from 2006, and considering that only two holes have been drilled to test the EM conductor with which nickel and gold mineralisation is directly associated, further drill testing of the conductor is justified to determine the thickness and extent of the mineralised horizon down-dip and along strike.

## Hosanger Project

The Hosanger project is located 22km north-east of the regional town of Bergen on the west coast of Norway, in an area of excellent infrastructure. The project tenements were granted in April 2018.

The Hosanger project area contains several historical nickel-copper deposits hosted by the lower parts of a pervasively deformed body of norite, the Hosanger intrusion, belonging to the Lindås Nappe. The first nickel deposit was discovered in 1875, and mining continued intermittently within the project area until 1945, including at the historical Litland nickel mine. Nickel mineralisation was discovered at Litland in 1899 and was first mined in 1915. Blackstone Ventures (2010) stated that past production from the Litland mine totalled **462,000t grading 1.05 % Ni, 0.35 % Cu and 0.05 % Co**, with grades of up to 3% Ni reported during some periods of production.

Pursuit will undertake a full evaluation of the previous 50 exploration drill holes which tested targets generated from airborne electromagnetic and magnetic data in addition to reviewing the Litland mine, which contains nickel mineralisation open at depth, and select targets for follow up drilling.



## Transaction Terms and Consideration

On execution of the Option Agreement Pursuit paid to Eurasian the initial consideration comprising a cash payment of US\$25,000 and the issue 20 million fully paid ordinary shares in Pursuit.

Pursuit will earn the right to exercise the option to acquire a 100% interest in the projects (or Eurasian) if it incurs exploration expenditure totalling US\$250,000 across the Projects on or before 13 February 2021 (extended by the period of force majeure arising from the COVID-19 pandemic).

Full details of the consideration payable by Pursuit to Eurasian if Pursuit exercises the option to acquire the projects are provided in the ASX announcement dated 17 February 2020.

## Sweden and Finland Vanadium Projects (2)

Pursuit has previously announced its intention to seek a strategic partner with the technical and financial resources to assist with progressing the Airijoki and Koitelainen Projects to their next stages of development. During the quarter, Pursuit continued to hold discussions with a number of companies. Pursuit will advise the market if those discussions lead to Pursuit securing a partner for the projects.

To assist in attracting a partner for the vanadium portfolio, Pursuit has reviewed each vanadium project and defined the work programs which are required to progress each project to its next technical key decision point. Priority is intended to be given to work programs which most cost effectively progress the overall vanadium portfolio via a two-phase development strategy:

- **Phase One** – Produce high-grade vanadium magnetite concentrates from the Airijoki and Koitelainen Projects for sale into the European or global steel industries, or to global vanadium smelters, hence reducing pre-production capital expenditure requirements and timeframes to production.

- **Phase Two** – Process high-grade vanadium magnetite concentrates from multiple mineral resources into products, via a centralised downstream processing plant, for sale into the emerging European vanadium battery industry.

Since commencing its vanadium strategy, Pursuit has focussed on assessing its projects to deliver the Phase One objective stated above and has made rapid progress, with the completion of the Scoping Studies for the Airijoki and Koitelainen Projects in less than 12 months.

During the quarter, Pursuit completed the interpretation of detailed ground magnetic data collected during the December 2019 quarter at the Simesvallen East, Spannarslatten and Svedasen prospects on the Simesvallen vanadium project in Central Sweden.

The interpretation of the ground magnetic data achieved Pursuit's objective of mapping the distribution of magnetite within the mafic intrusions which host vanadium mineralisation and determining the orientation and thickness of the mafic intrusions.

At the Simesvallen prospect, vanadium mineralisation has previously been intersected in historical drill holes over 560m of strike length<sup>2</sup>. Interpretation of the ground magnetic data indicates that the vanadium mineralised magnetic body extends 340m further east and increases in thickness to 50m. Prospective magnetic anomalies were also located and detailed at the Spannarslatten and Svedasen prospects.



<sup>2</sup> See Pursuit Minerals ASX Announcement 29 October 2018 for details of historical intersections reported for the Simesvallen Project. The Company is not aware of any new information or data that materially affects the information included in the referenced ASX announcement and confirms that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement

Historical drilling at the Simesvallen prospect previously intersected vanadium mineralisation over a strike length of 560m, which is open to both the east and west, and includes the following historical intersections:

- **8.75m @ 0.41% V2O5** (whole rock), in hole SIM82001 from 40.00m
- **13.9m @ 0.44% V2O5** (whole rock), in hole SIM82003 from 28.15m

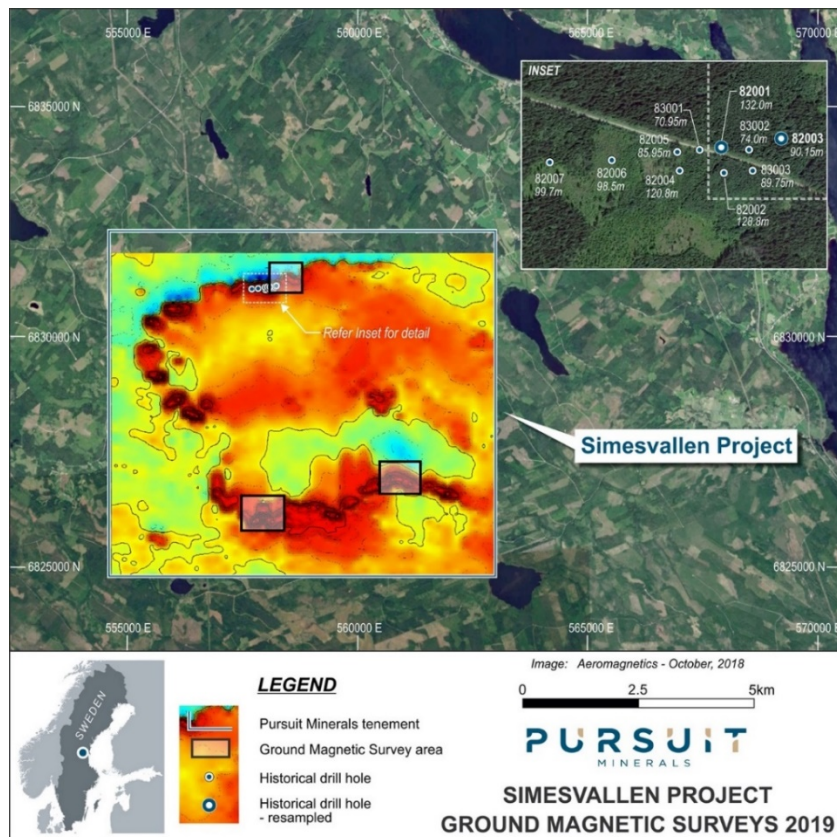
Three areas were covered with detailed ground magnetic surveys, with data collected on lines spaced 25m apart (Figure 2). The northern survey area was designed to investigate the potential extension of the known vanadium mineralisation in holes SIM82001 and SIM82003 (Figure 3). The survey areas in the southeast and southwest of the Simesvallen project area were designed to investigate high intensity magnetic features whose causative sources are likely to be abundant magnetite.

Modelling of the ground magnetic data indicates that the magnetic body mineralised with vanadium at the Simesvallen prospect, extends at least 340m further east to the Simesvallen East prospect and the thickness of the vanadium mineralised body increases to 50m.

At the Spannarslatten prospect an intensive magnetic anomaly, striking east-west and in excess of 1000m strike length, is interpreted to be due to two magnetic bodies dipping 35° to the north and of thickness 40m and 30m respectively.

At the Svedasen prospect the ground magnetic data indicates that the source of the magnetic anomaly is a flat lying intrusion folded about an east-west axis and varying in thickness from 18m to a maximum of 96m.

**Figure 2 Simesvallen Project  
Detailed Ground Magnetic Survey Locations**



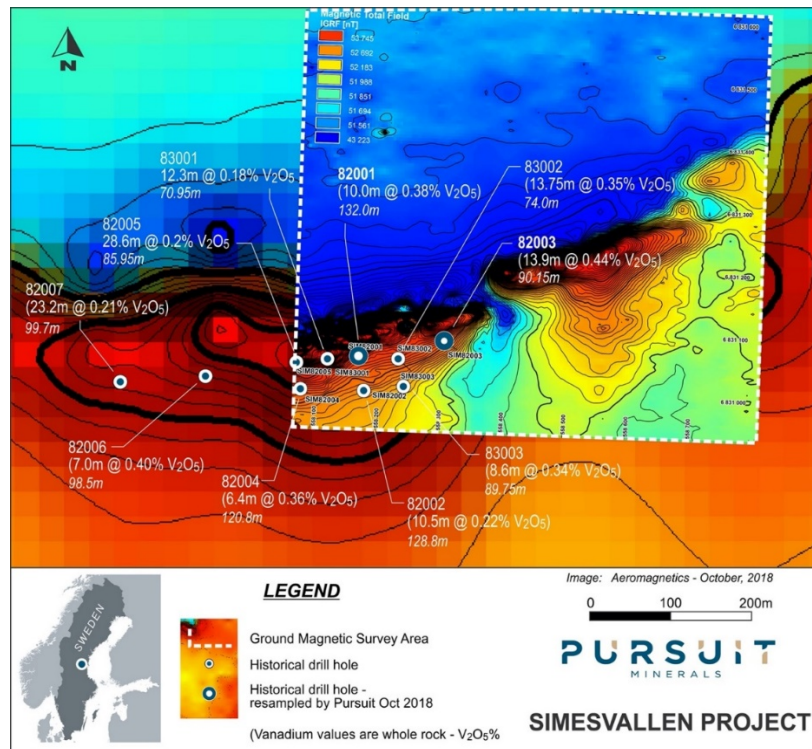
Interpretation of the ground magnetic data achieved Pursuit's objective of mapping the distribution of magnetite within the mafic intrusions which host vanadium mineralisation and determining the orientation and thickness of the mafic intrusions.

To further develop the vanadium projects in a cost-effective manner and to assist in securing a partner, Pursuit is considering undertaking the following after the lifting of COVID-19 pandemic restrictions in Australia, Sweden, and Finland:

- Additional metallurgical test work on vanadium magnetite concentrates from the Airijoki Project with the objective of further increasing the mass recovery of vanadium into the magnetite concentrate.
- Discussions with its local Swedish consultants to determine the next steps for advancing testing of the Simesvallen East, Spannarslatten and Svedasen prospects on the Simesvallen vanadium project
- Detailed planning for an initial drill program on the Koitelainen Project subject to the granting of an Exploration Licence within the current Koitelainen Mineral Reservation. On 1<sup>st</sup> April 2019, Pursuit submitted a Natura2000 impact assessment document to the Finnish government. The outcome of this assessment will determine the terms and conditions attached to the granting of any Exploration Licence with the Koitelainen Mineral Reservation. Granting of an Exploration Licence is required before a first round of drilling can be undertaken, as on the current Koitelainen Mineral Reservation, only non-ground disturbing activities can be undertaken.

Pursuit considers that the above work programs will most cost effectively advance the vanadium project portfolio and enhance the probability of attracting a partner with the capabilities to assist with the development of the overall vanadium portfolio and achieving Pursuit's initial Phase One strategic goal.

**Figure 3 – Simesvallen Project  
Northern Detailed Ground Magnetic Survey**



## Queensland Exploration Projects

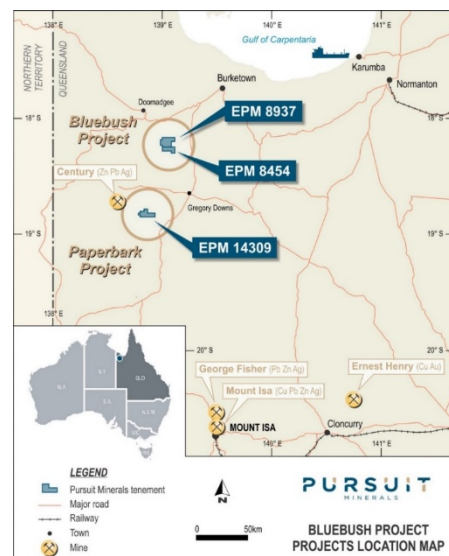
### Paperbark Project

The Paperbark Project is located approximately 215km north-northwest of Mount Isa and 25km southeast of the Century Mine in north-west Queensland. It occurs within the Lawn Hill Platform of the Western Succession of the Mt Isa Province (Figure 4).

No work was conducted on the Paperbark Project during the quarter.

### Bluebush Project

The Bluebush Project is located approximately 280km north-northwest of Mount Isa and 72km northeast of the Century Mine in northwest Queensland and occurs within the Lawn Hill Platform of the Western Succession of the Mt. Isa Province (Figure 4). The project consists of two exploration permits



(EPM's 8454 and 8937) covering an area of approximately 214km<sup>2</sup>. Previous drilling has intersected zinc mineralisation over an area of 120km<sup>2</sup> making Bluebush one of the largest areas of zinc mineralisation in Australia.

No work was conducted on the Paperbark Project during the quarter.

## Corporate

### *Cash position and financing activities*

As at 31 March 2020, Pursuit had cash reserves of \$593,000 and a Swedish GST receivable of \$132,000.

In light of restrictions implemented in response to the COVID-19 pandemic by various governments on the movements of people into, and within Australia, Norway, Sweden and Finland, the countries within which Pursuit operates, the Company announced on 24 March 2020 that it has indefinitely suspended all exploration activities and has taken a range of actions to ensure the well-being of its staff, contractors and consultants and to preserve the Company's financial resources.

These actions included:

- Indefinitely deferring all exploration programs.
- Implementing cost savings measures to preserve the Company's existing cash reserves.
- Advising Eurasian Minerals Sweden AB that the Company has declared a force majeure event under the Exploration and Option Agreement for the Norwegian Nickel Projects. The effect of this is to extend the 12-month Option Period under the agreement by the period for which the Force Majeure event is in effect. The original expiry date for the Option Period is 13 February 2021.

### *Payments to Related Parties and their associates*

During the quarter, the Company made payments totalling \$61,000 to related parties and their associates including:

- \$18,000 paid to Directors during the quarter as payment for Directors fees.
- Amounts totalling \$11,789 paid to Steinepreis Paganin for legal services. Peter Wall, the Non-Executive Chairman of the Company is a partner of Steinepreis Paganin.
- Amounts totalling \$30,075 were paid to Jeremy Read, a Director, for consulting services.

### *Appointment of Chief Executive Officer*

On 25 March 2020, the Company announced the appointment of Mr Mark Freeman as Chief Executive Officer of the Company effective 1 April 2020.

Mr Freeman has an extensive background in equity capital markets, banking and corporate advisory, with a specific focus on natural resources. Mark holds a commerce degree and is a chartered accountant with over 25 years corporate and management experience in micro-caps and international projects. Mark was formerly executive management with Panoramic Resources and Exco Resources.

## Outlook

As reported above, all exploration programs have been indefinitely deferred pending the lifting of COVID-19 pandemic restrictions in the various jurisdictions in which the Company operates.

The Company is continuing discussions with potential strategic partners who have the capability to provide technical and financial capability to progress the Airijoki and Koitelainen projects through their next stages of development.

The Company is also considering acquisition and joint venture opportunities in relation to other mineral resource projects and will provide further updates in due course.

## Tenement Listing

As at 31 March 2020, the Company had a 100% ownership interest in tenements shown in Table 1.

**Table 1 – Tenement listing at 31 March 2020**

Project	Tenement	Location	Area (km <sup>2</sup> )	Expiry Date
Paperbark	EPM 14309	Queensland	75	12/9/2022
Bluebush	EPM 8937	Queensland	144	6/9/2020
Bluebush	EPM 8454	Queensland	70	11/11/2020
Karhujupukka	Karhujupukka North – Exploration Licence ML2018:0068	Finland	1	10/7/2022
Karhujupukka	Karhujupukka South – Exploration Licence ML2018:0069	Finland	5.5	10/7/2022
Koitelainen	Koitelainen A	Finland	44	29/3/2020 <sup>##</sup>
Koitelainen	Koitelainen B	Finland	86	29/3/2020 <sup>##</sup>
Ala Postojoki	Ala Postojoki - Reservation	Finland	50	7/8/2020
Simesvallen	Simesvallen nr 100	Sweden	63	20/6/2021
Kullberget	Kullberget nr 100	Sweden	81	20/6/2021
Kramsta	Kramsta nr 100	Sweden	16	20/6/2021
Sumåsjön	Sumåsjön nr 1	Sweden	37	21/6/2021
Airijoki	Airijoki nr 100	Sweden	9.6	27/6/2021
Airijoki	Airijoki nr 101	Sweden	4.8	25/11/2021
Airijoki	Airijoki nr 102	Sweden	13.5	25/11/2021
Airijoki	Airijoki nr 103	Sweden	4.1	26/11/2021

<sup>##</sup> The Company has applied for an Exploration Licence for the Koitelainen project which is subject to final approval by Tukes.

## For more information about Pursuit Minerals and its projects, contact:

**Mark Freeman**  
CEO  
E: [markf@pursuitminerals.com.au](mailto:markf@pursuitminerals.com.au)  
T: + 61 412 692 146

**Jeremy Read**  
Technical Director  
E: [jeremy@pursuitminerals.com.au](mailto:jeremy@pursuitminerals.com.au)  
T: + 61 447 379 744

[www.pursuitminerals.com.au](http://www.pursuitminerals.com.au)

– ENDS –

## Competent Person's Statement

*Statements contained in this announcement relating to historical exploration results, historical estimates of mineralisation and Exploration targets are based on, and fairly represents, information and supporting*

documentation prepared by Mr. Jeremy Read, who is a member of the Australian Institute of Mining & Metallurgy (AusIMM), Member No 224610.

Mr. Read is a Non-Executive Director of the Company and has sufficient relevant experience in relation to the mineralisation style 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. Mr Read consents to the use of this information in this announcement in the form and context in which it appears.

Statements contained in this announcement relating to the Koitelainen Vosa Prospect Inferred Mineral Resource, are based on, and fairly represents, information and supporting documentation prepared by Mr. Chris Grove, who is a member of the Australian Institute of Mining & Metallurgy (AusIMM), Member No 310106. Mr Grove is a full-time employee of the mineral resource consulting company "Measured Group", who were contracted by Pursuit Minerals Limited to prepare an estimate of the Inferred Mineral Resource at the Koitelainen Vosa Prospect. Mr Grove has sufficient relevant experience in relation to the mineralisation styles 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. Mr Grove consents to the use of this information in this announcement in the form and context in which it appears.

Statements contained in this announcement relating to the Airijoki Project Inferred Mineral Resource, are based on, and fairly represents, information and supporting documentation prepared by Mr. Chris Grove, who is a member of the Australian Institute of Mining & Metallurgy (AusIMM), Member No 310106. Mr Grove is a full-time employee of the mineral resource consulting company "Measured Group", who were contracted by Pursuit Minerals Limited to prepare an estimate of the Inferred Mineral Resource at Airijoki. Mr Grove has sufficient relevant experience in relation to the mineralisation styles 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. Mr Grove consents to the use of this information in this announcement in the form and context in which it appears.

#### **Forward looking statements**

Statements relating to the estimated or expected future production, operating results, cash flows and costs and financial condition of Pursuit Minerals Limited's planned work at the Company's projects and the expected results of such work are forward-looking statements. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by words such as the following: expects, plans, anticipates, forecasts, believes, intends, estimates, projects, assumes, potential and similar expressions. Forward-looking statements also include reference to events or conditions that will, would, may, could or should occur. Information concerning exploration results and mineral reserve and resource estimates may also be deemed to be forward-looking statements, as it constitutes a prediction of what might be found to be present when and if a project is actually developed.

These forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable at the time they are made, are inherently subject to a variety of risks and uncertainties which could cause actual events or results to differ materially from those reflected in the forward-looking statements, including, without limitation: uncertainties related to raising sufficient financing to fund the planned work in a timely manner and on acceptable terms; changes in planned work resulting from logistical, technical or other factors; the possibility that results of work will not fulfil projections/expectations and realize the perceived potential of the Company's projects; uncertainties involved in the interpretation of drilling results and other tests and the estimation of gold reserves and resources; risk of accidents, equipment breakdowns and labour disputes or other unanticipated difficulties or interruptions; the possibility of environmental issues at the Company's projects; the possibility of cost overruns or unanticipated expenses in work programs; the need to obtain permits and comply with environmental laws and regulations and other government requirements; fluctuations in the price of gold and other risks and uncertainties.

## APPENDIX 5B

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

Name of entity

PURSUIT MINERALS LIMITED

ABN

27 128 806 977

Quarter ended ("current quarter")

31 MARCH 2020

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (Nine months) \$A'000
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation (if expensed)	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(33)	(212)
	(e) administration and corporate costs	(213)	(591)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	(1)	(3)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(247)</b>	<b>(806)</b>

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (Nine months) \$A'000
<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(4)	(4)
	(d) exploration & evaluation (if capitalised)	(110)	(382)
	(e) investments	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(114)</b>	<b>(386)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	1,437
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(118)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>1,319</b>

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (Nine months) \$A'000
<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	953	531
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(247)	(806)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(114)	(386)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	1,319
4.5	Effect of movement in exchange rates on cash held	1	(65)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>593</b>	<b>593</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	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	593	953
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>593</b>	<b>953</b>

(a)

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	61
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

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<i>Note: the term “facility” includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 <b>Total financing facilities</b>	-	-
7.5 <b>Unused financing facilities available at quarter end</b>		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
<b>Not applicable</b>		

<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)	(247)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	(110)
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(357)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	593
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	593
8.7 <b>Estimated quarters of funding available (Item 8.6 divided by Item 8.3)</b>	1.66

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

- 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:

The Company expects to receive a GST refund of \$132,000 from Sweden within the next quarter this will place the Company with sufficient funds to exceed the 8.7 threshold of 2.0. However, as noted in the Quarterly Activities Report and the ASX Announcement dated 24 March 2020 the Company has suspended all exploration activities and implemented a significant cost reduction program to conserve its cash reserves in response to restrictions on the Company's activities arising as a result of the COVID-19 pandemic.

Taking into consideration the abovementioned measures, the Company expects that its cash expenditure in the short term will be significantly less than the expenditure incurred in the March quarter and that its cash reserves of \$593,000 will be sufficient to fund at least the next two quarters of expected activities.

- 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 noted in the response to 1 above, the Company considers that its existing cash reserves will be sufficient to fund its expected activities for at least the next 2 quarters and has not at this stage taken any steps to raise further funds.

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:

As noted in the response to 1 above, the Company considers that its existing cash reserves will be sufficient to fund its expected activities for at least the next 2 quarters taking into consideration the Company's response to the COVID-19 pandemic as disclosed in the Quarterly Activities Report and the ASX Announcement dated 24 March 2020.

## 1.2 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: **30 April 2020**

Authorised by: **By the Board**

(Name of body or officer authorising release – see note 4)

## 1.3 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.