

30 July 2020

## **Quarterly Activities Report June 2020**

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Marquee Resources Limited (“Marquee” or the “Company”) (ASX:MQR) is pleased to provide this Quarterly Activities Report for the June 2020 quarter.

### **Operational response and impact of COVID-19**

During the June Quarter, the Company was faced with the challenges of Covid-19 and the associated difficulty in advancing its overseas projects.

Marquee has been concentrating on its Redlings REE Project and other WA based acquisition opportunities and will continue to do so until a better understanding is gained on the virus and factors effecting both interstate and international travel as well as the current border and state-based quarantine restrictions.

### **Redlings REE Project**

With travel restrictions in place due to Covid-19, Marquee’s current focus is furthering its understanding of the Redlings REE project located near Leonora in Western Australia following the recent soil sampling program. The Company will update the market on the next phase of exploration at the Redlings project once a full review has been completed by the Board in conjunction with its geological consultants.

### **Werner Lake Cobalt Project (Canada 30%)**

The Company provided an update on the ownership structure of the Werner Lake Cobalt Project located in North Western Ontario, Canada during the June 2020 quarter.

On 21 February 2018, Marquee Resources and Global Energy Metals Corporation (TSXV:GEMC) finalised the strategic option agreement (initially announced on the ASX on 5 December 2017) which amongst other things outlined the terms by which Marquee would earn into the Werner Lake Project. The key terms from that agreement were that Marquee would incur expenditures of AUD\$1,000,000 to earn a 30% interest in the Property within year one, and a further AUD\$1,500,000 (for a total of AUD\$2,500,000) to earn a further 40% interest (for a total of 70% interest) in the Property on or before year two.

Having incurred stage one expenditure commitments in excess of AUD\$1,000,000, Marquee met the requirements to earn an initial 30% interest in Werner Lake; however, there was a shortfall in project expenditures required for the Company to earn the next threshold of 70% ownership within the designated timeframe.

The Agreement’s 24-month period for the Company to earn a 70% ownership at Werner Lake has now expired. MQR and GEMC have extensively discussed potential transactions that would allow for Marquee to end up as the 100% owner of the project but at this stage have been unable to settle on satisfactory terms for either party. Both companies will continue to explore different ownership structures amongst themselves as well as searching for other parties that may wish to acquire the project in whole or part.

The current ownership of the Werner Lake Cobalt Project is Marquee holding 30% and GEMC holding 70%.

Marquee extensively tested the exploration potential at the Werner Lake project over the last two years and made significant expenditure in advancing the project to where it stands today. The work completed further confirmed the potential for significant exploration and potential future production at the past producing primary cobalt project.

Marquee's work program of roughly AUD \$2 million in project expenditures over the past two years successfully achieved its objectives outlined below, and additionally, identified new areas of mineralisation that open the deposit along strike and at depth. Amongst other items the program completed the following:

- Confirmed high grade cobalt mineralisation intersected in numerous drill holes during previous diamond drilling programs.
- Provided additional structural and geotechnical data for ongoing project development studies.
- Increased pierce points within the current block model to enhance the current mineral resource.
- Regained an understanding of the geological controls on mineralisation and advance interpretive theories from the detailed work in the mid 1990's.

The Phase 1 exploration campaign at Werner Lake was primarily focused on narrow spaced drilling, which was designed to increase the existing NI 43-101 resource<sup>1</sup>, which remains open in all directions.

Phase 2 drilling was intended to extend mineralisation beneath the current resource area and test potential down dip and down plunge extensions to the mineralisation at Werner Lake. In addition to this exploration drilling, five drill holes for metallurgical purposes (452 m) were completed to create a composite bulk sample of approximately 150 kilograms that were sent for metallurgical testing at SGS Laboratories Canada.

The results from the programs are significant because they have intersected high-grade mineralisation within and beyond the constraints of the current Mineral Resource model. This continues to confirm the potential for significant exploration upside to Werner Lake's existing resource.

### **Clayton Valley Lithium Project (USA 100%)**

The Company did not conduct any on ground exploration work on the project during the quarter however has been in negotiations with parties who have shown interest in potentially acquiring this project. At this stage

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<sup>1</sup> This work was based on a technical report AGP Mining Consultants, April 30, 2018 titled "NI 43-101 Resource Estimate for the Werner Lake Project, Werner Lake Ontario" for Global Energy Metals Corp ("GEMC"), conforming to CIM technical standards and NI 43-101 reporting standards for resources estimates. MQR deems this resource still relevant because economic parameters have not negatively changed significantly since publication date and MQR has confidence in the estimate based on review of technical data. There are no more recent estimates or data available. To upgrade this work from a historical or foreign estimate to a current mineral resource, MQR will review the data set and complete additional drilling and modeling work to verify the historic or foreign estimate as a current mineral resource. A qualified person has not done sufficient work to classify the historical or foreign estimate as current mineral resources or reserves under JORC (2012) standards, and the issuer is not treating the historical or foreign estimate as a current mineral resources or reserves. Details of the Werner Lake project were reported by Marquee in press release dated December 5, 2017.

the negotiations remain incomplete however should these move to a more formal stage the Company will update the market.

### **Centenario Lithium Project (Argentina 30%)**

The Company did not conduct any on ground activities at Centenario during the quarter. The Company in conjunction with its partners at this project continues to explore the best way to unlock the significant potential.

### **Corporate and Post Quarter Events**

Marquee continues to review and conduct due diligence on numerous resource projects. The Company has particular focus on acquiring advanced gold and base metal projects located in Australia.

In July 2020, Marquee entered into an exclusive Option Agreement with Fyfehill Pty Ltd to acquire Exploration Licence Application E15/1743 known as the West Spargoville Project. The West Spargoville Project is continuous over a ~20km strike extent covering an area of ~80km<sup>2</sup>.

The West Spargoville project is located between 60 to 80km south of Kalgoorlie in the Kambalda District of the Eastern Goldfields at the northern end of the Widgiemooltha Greenstone Belt which is synonymous for gold and nickel discoveries.

The Project area is bounded to the east by the Zuleika Shear and by the Ida Fault to the west. The area lies within a 'neck' of greenstones between the Depot Granodiorite to the north and the Widgiemooltha Monzogranite to the south which are large internal felsic intrusive bodies within the sequence.

Locally the project is underlain by a sequence of mafic intrusives and volcanics, komatiites, felsic volcanoclastics, tuffaceous sediments, greywackes and cherts. Of particular interest is a sequence of layered mafic rocks with komatiites, High-Mg basalts and gabbros which are particularly prospective for gold and nickel mineralisation.

The Project is prospective for gold with numerous historic gold workings in the region (Spargoville and Higginsville gold fields) as well as the recently active Wattle Gold open pit and underground mine which was operated by Ramelius Resources Ltd and is now held by Maximus Resources Limited.

A major granite-greenstone contact exists on the western margin of the tenure. The northern strike continuation of the Chalice shear zone is interpreted to run on or adjacent to this contact.

Regionally this greenstone belt contains many world class gold deposits and the St Ives gold field is located ~30km to the east with the Higginsville gold project approximately ~40km southeast. The Wattle Dam project is located ~2km to the east and was recently an operating mine within sheared mafics to ultramafic rocks. The mineralisation at Wattle Dam occurred as coarse gold in blebs, veinlets and flakes, with little quartz or alteration associated. Shear hosted archaean lode gold can produce deposits of any size from minor occurrences to multimillion-ounce deposits.

The broad anomalism that has been encountered across the tenement by previous owners is highly encouraging. The previous workings indicate gold production from the area and the broader anomalies previously reported may be indicating a larger system at depth. A structurally controlled high-grade gold deposit similar to the Wattle Dam mine which is ~2km east is the most likely target and appears to be in a similar structural setting and may

be on a structure that continues through the West Spargoville Project area. Wattle Dam may be located on the western limb of a regional anticline. The coincidence of structure, anomalism and prospective host rocks makes the tenement prospective for the discovery of a gold deposit.

The Project is also prospective for nickel deposits, as the region is host to significant Komatiitic hosted sulphide mineralisation where mining has occurred since the 1960's. The majority of exploration work in the region has focused on the eastern ultramafic belt around the Widgiemooltha Dome with considerable success. Limited attention appears to have been paid to the western ultramafic belt and the northern gabbroic units where the Project lies.

Recent exploration in the area has been completed by Ramelius Resources Ltd, Breakaway Resources, Harmony Gold Ltd, Resolute Ltd, Mithril Resources Ltd, Bardoc Resources Ltd, Pioneer Resources Ltd and Maximus Resources Limited who have identified new prospects and mineralisation within the belt confirming the prospectivity of the western ultramafics.

Little exploration for nickel sulphide mineralisation had been completed in the district since the late 1970's. Recent advancements in geophysical techniques and in particular, more modern ground EM surveys, have been shown to be useful exploration tools over the prospective basal contacts within the area.

## **PLACEMENT**

On 7 July 2020 the Company announced a Placement and has agreed to issue up to 40,000,000 fully paid ordinary shares at an issue price of \$0.04 each to qualified sophisticated and professional investors, raising up to \$1.6 million (before costs).

Tranche 1 of the Placement utilised the Company's existing placement capacity under ASX Listing Rule 7.1 and ASX Listing Rule 7.1A to issue 15,750,000 shares which were issued on 14 July 2020. Tranche 2 of the Placement (24,250,000 shares) is subject to shareholder approval at a general meeting scheduled to take place on 28 August 2020.

The Company also intends to issue 40,000,000 free attaching options (\$0.08 strike, June 2023 expiry) on a 1:1 basis to all Placement participants, which will also be subject to shareholder approval at the general meeting scheduled to take place on 28 August 2020.

Please refer to the announcements dated 7th and 28th of July 2020 for further information.

## **Payments to related parties of the entity and their associates**

Section 6.1 Appendix 5B description of payments:

Director Fees	\$30,790	
AGH Law fees	\$2,744	Director G Henderson is a Director and shareholder of AGH Law
GTT Ventures Pty Ltd – Consulting fee and lease	\$32,100	C Thomas is Director and shareholder of GTT Ventures
<b>Total</b>	<b>\$65,634</b>	


## DISCLAIMER

Forward-looking statements are statements that are not historical facts. Words such as “expect(s)”, “feel(s)”, “believe(s)”, “will”, “may”, “anticipate(s)”, “potential(s)” and similar expressions are intended to identify forward-looking statements. These statements include, but are not limited to statements regarding future production, resources or reserves and exploration results. All of such statements are subject to certain risks and uncertainties, many of which are difficult to predict and generally beyond the control of the Company, that could cause actual results to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. These risks and uncertainties include, but are not limited to: (i) those relating to the interpretation of drill results, the geology, grade and continuity of mineral deposits and conclusions of economic evaluations, (ii) risks relating to possible variations in reserves, grade, planned mining dilution and ore loss, or recovery rates and changes in project parameters as plans continue to be refined, (iii) the potential for delays in exploration or development activities or the completion of feasibility studies, (iv) risks related to commodity price and foreign exchange rate fluctuations, (v) risks related to failure to obtain adequate financing on a timely basis and on acceptable terms or delays in obtaining governmental approvals or in the completion of development or construction activities, and (vi) other risks and uncertainties related to the Company’s prospects, properties and business strategy. Our audience is cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof, and we do not undertake any obligation to revise and disseminate forward-looking statements to reflect events or circumstances after the date hereof, or to reflect the occurrence of or non-occurrence of any events.

## AUTHORISATION

The provision of this announcement to ASX has been authorised by the board of directors of the company.

**For further information please contact:**



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**Tenement Schedule (Disclosure per ASX Listing Rule 5.3.3)**

Tenements held at end of the quarter by Marquee Resources and subsidiary companies.

TENEMENT	LOCATION	NAME	INTEREST
CVE 1	Nevada USA	Clayton Valley	100%
CVE 3-4	Nevada USA	Clayton Valley	100%
CVE 8-17	Nevada USA	Clayton Valley	100%
CVE19-75	Nevada USA	Clayton Valley	100%
CVE 81-82	Nevada USA	Clayton Valley	100%
CVE 84	Nevada USA	Clayton Valley	100%
CVE 86-102	Nevada USA	Clayton Valley	100%
CVE 119-126	Nevada USA	Clayton Valley	100%
CVE 143 – 150	Nevada USA	Clayton Valley	100%
KRL 98381-83	Kenora, Ontario	Werner Lake	30%
9385-87, 19096/97	Kenora, Ontario	Werner Lake	30%
19107-12	Kenora, Ontario	Werner Lake	30%
29054/55, 29058-76	Kenora, Ontario	Werner Lake	30%
30055 -58, 31229	Kenora, Ontario	Werner Lake	30%
31373/74, 31823-28	Kenora, Ontario	Werner Lake	30%
33170-72, 33175-96	Kenora, Ontario	Werner Lake	30%
33198 -212, 33240	Kenora, Ontario	Werner Lake	30%
33270/1, 33280-84	Kenora, Ontario	Werner Lake	30%
33328-33, 33416	Kenora, Ontario	Werner Lake	30%
33419, 33421-23	Kenora, Ontario	Werner Lake	30%
36272, 33173-4	Kenora, Ontario	Werner Lake	30%
10661	Kenora, Ontario	Werner Lake	30%
12128	Kenora, Ontario	Werner Lake	30%
12246 -12247	Kenora, Ontario	Werner Lake	30%
12501	Kenora, Ontario	Werner Lake	30%
13150 - 13151	Kenora, Ontario	Werner Lake	30%
13283 - 13284	Kenora, Ontario	Werner Lake	30%
13292	Kenora, Ontario	Werner Lake	30%
E37/1311	W Australia	Redlings	100%
Centenario 3	Argentina	Centenario	30%
Centenario 4	Argentina	Centenario	30%
Centenario 5	Argentina	Centenario	30%
Centenario 6	Argentina	Centenario	30%
Centenario 200	Argentina	Centenario	30%
Centenario 201	Argentina	Centenario	30%
Bientenario 303	Argentina	Centenario	30%
<b>Total Number of Claims</b>	<b>397</b>		