



# Middle Island

RESOURCES LIMITED

Middle Island Resources Limited  
ACN 142 361 608

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## QUARTERLY REPORT

For the period ended 31 December 2021

	HIGHLIGHTS
<p><b>Middle Island Resources Ltd</b> ACN 142 361 608</p> <p><b>ASX Code: MDI</b></p> <p><b>Office:</b> Suite 1, 2 Richardson Street WEST PERTH WA 6005 Western Australia</p> <p><b>Postal Address:</b> PO Box 1017 West Perth WA 6872 Western Australia</p> <p>T: +61 8 9322 1430 E: info@middleisland.com.au</p> <p><b>www.middleisland.com.au</b></p> <p><b>Capital Structure :</b> 122,418,222 ordinary shares 20,307,314 unlisted options (expiring 31 January 2022 of which 9,989,324 are exercisable at \$0.1817 each and the remainder, 10,317,990, are exercisable at \$0.1771 each).</p> <p><b>Board Members:</b></p> <p><b>Peter Thomas</b> Non-Executive Chairman</p> <p><b>Brad Marwood</b> Executive Director</p> <p><b>Bruce Stewart</b> Non-Executive Director</p> <p><b>Rudolf Tieleman</b> Company Secretary</p>	<p><b><u>BARKLY</u></b></p> <ul style="list-style-type: none"><li>MDI commenced a detailed aerial magnetics and radiometrics survey over the Barkly Copper-Gold Super Project late in the quarter.</li><li>Completion of a 2km Induced Polarity (IP) survey over the Crosswinds Copper discovery with results expected early in Q1,2022.</li><li>Grant of Barkly Exploration Licence applications, bringing the total Barkly Copper Gold Super Project land holding (including that under application), to 5,533km<sup>2</sup>.</li></ul> <p><b><u>SANDSTONE</u></b></p> <ul style="list-style-type: none"><li>The sale of the Sandstone assets announced 16 December 2021.</li><li>On the 26 October 2021 MDI announced the findings of 536 auger drill holes at Sandstone establishing 5 new targets.</li></ul> <p><b><u>CORPORATE</u></b></p> <ul style="list-style-type: none"><li>1,304,349 unlisted options to acquire fully paid ordinary shares (exercisable at \$0.6877 each) expired.</li><li>On the 3 November 2021 MDI announced a change of Company Secretary to Mr Rudolf Tieleman.</li><li>At the Company's AGM held on 19 November 2021 all resolutions were carried by a 95%+ majority vote.</li></ul>

## **Operating Activities**

### **Corporate**

#### **Company Secretary Changes**

Rudolf Tieleman accepted the position of Company Secretary and Chief Finance Officer (ASX Release – 3 November 2021)

#### **Finances**

Middle Island Resources Limited (**ASX: MDI, Middle Island or the Company**), held aggregated cash and liquid investments of A\$1.74M as of 31 December 2021, comprising A\$1.48M in cash and A\$263K in Tajiri Resources Corporation (TSXV: TAJ) ordinary shares.

#### **ASX Additional Information**

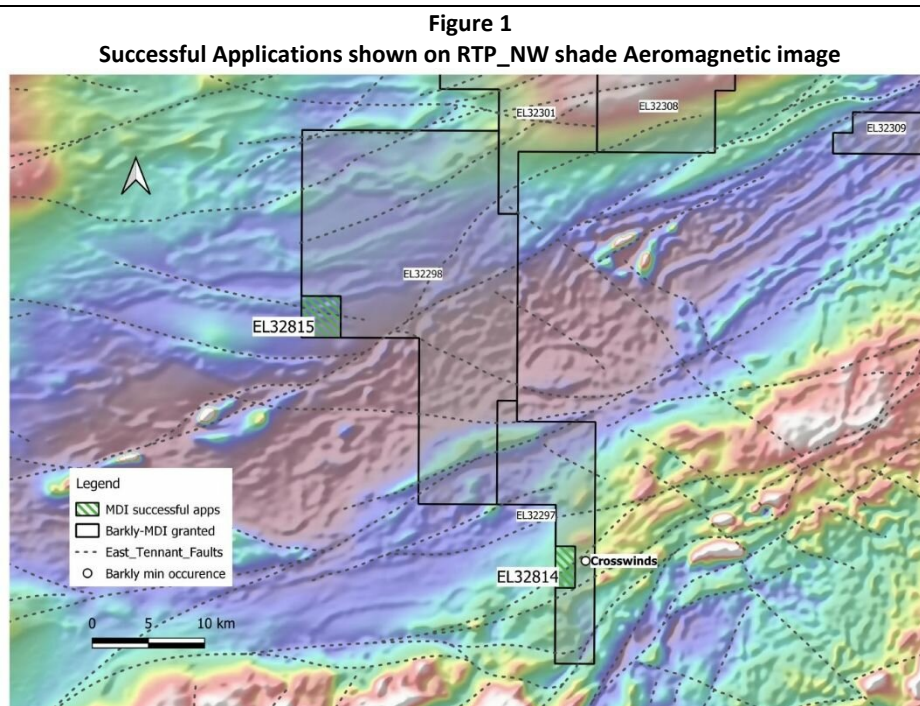
ASX Listing Rule 5.3.1: Exploration and evaluation expenditure during the December quarter was \$674K.

ASX Listing Rule 5.3.2: No substantive mining production or development activities were undertaken during the December quarter.

ASX Listing Rule 5.3.5: During the December quarter, the Company made cash payments of \$49K to related parties and their associates, being the aggregate amount paid to Directors, including salary, directors' fees, consulting fees and superannuation.

#### **Tenure**

MDI increased its holdings in the highly prospective Barkly Copper-Gold Super Project. MDI's application for EL32815 was successful; it is located adjacent to granted EL32298, see the Figure 1 below. In addition to the successful application for EL32815, MDI, via its application for EL32814, secured 2 blocks (out of 4 applied for) adjacent to the highly prospective Crosswinds prospect. MinEX CRC's National Drilling Initiative hole NDIBK10 intersected strong hematite altered basement 400m west of EL32814. MDI now has tenure at Barkly covering 4,343km<sup>2</sup> with an additional 1,190km<sup>2</sup> under application, representing an aggregate 5,533km<sup>2</sup>.





## **AGM**

At the Company's AGM held on 19 November 2021, in excess of 95% affirmative votes were cast in respect of all resolutions.

## **Strategy**

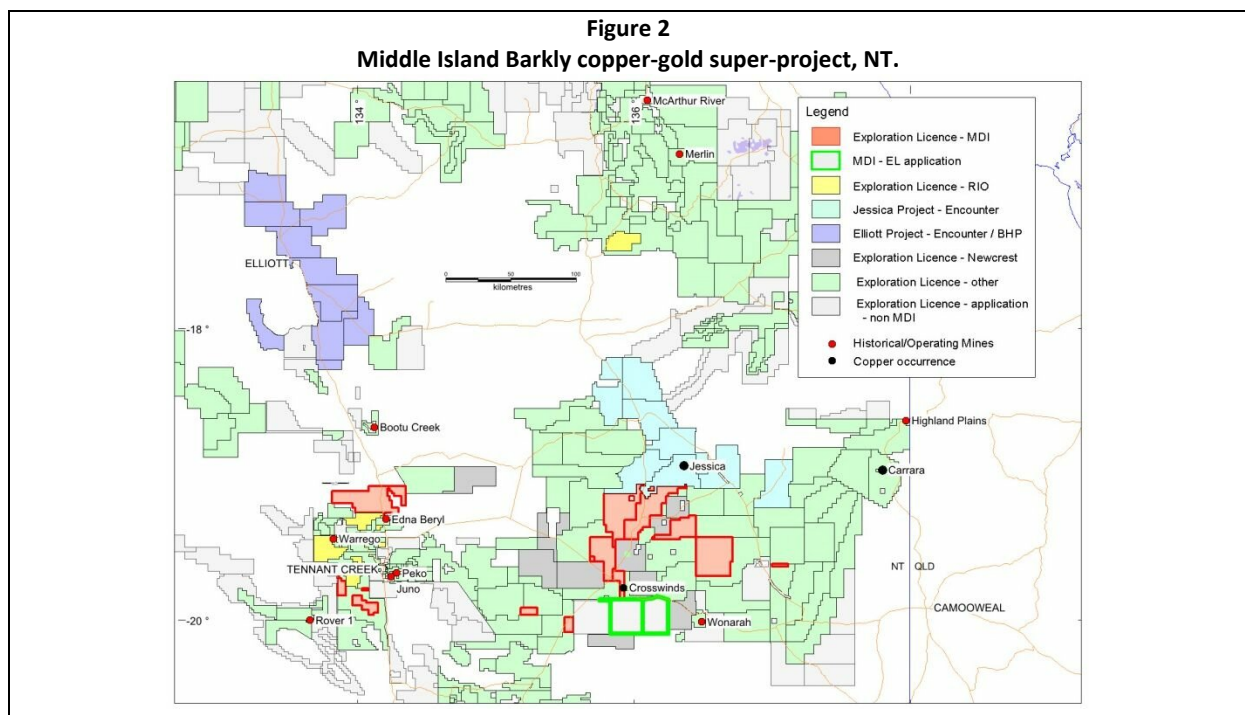
MDI's strategy:

- increase the value of the Barkly Copper-Gold Super Project via exploration; and
- divest itself of the Sandstone assets pursuant to the agreement for the sale of MDI's subsidiary, Sandstone Operations Pty Ltd.

## **Barkly Copper-Gold Super Project (100%) – Northern Territory**

During the December 2021 quarter, MDI commenced a detailed magnetics and radiometrics survey over the Barkly Copper-Gold Super Project.

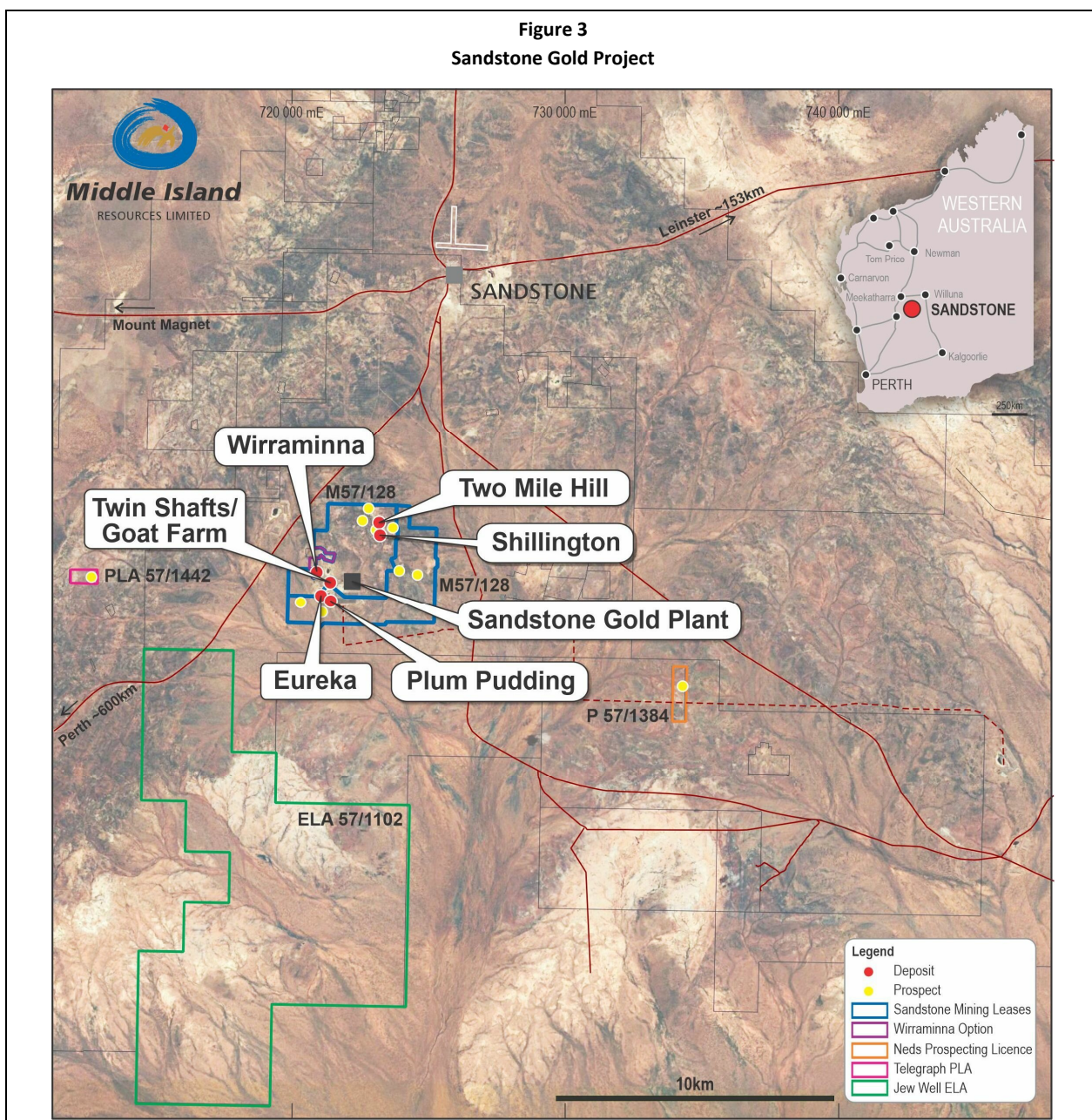
MDI completed a 2km IP survey over the Crosswinds Copper discovery with results announced in January 2022 (ASX Release – 10 January 2022).





## **Sandstone Gold Project (100%) – Western Australia**

The Sandstone gold project is shown in Figure 3:



### **SALE OF SANDSTONE ASSET**

#### **Binding Share Purchase Agreement for Sale of Sandstone Gold Project**

During the December quarter, MDI executed a Share Purchase Agreement (“SPA”) with Aurumin Limited (ASX: AUN, “Aurumin”) to divest its 100% interest in the Sandstone Gold Project near Sandstone, Western Australia.

#### **Transaction Terms**

The transaction is structured as the sale and purchase of MDI’s wholly owned subsidiary Sandstone Operations Pty Ltd (“SOPL”). SOPL holds the Sandstone Gold Project mining tenements, processing plant, freehold tenure and all information related to the Sandstone Gold Project. The tenements are



mining leases M57/128 and M57/129, exploration licence 57/1102 and prospecting licences P57/1384, P57/1395 and P57/1442.

On satisfaction or waiver of the conditions precedent in the SPA, Aurumin will pay MDI \$6 million in cash and issue \$6 million in Aurumin shares to MDI. The consideration shares are expected to represent ~18.5% of Aurumin's issued capital as expanded by the issue of those shares and a further issue of shares to raise \$4 million, with Aurumin then having no warrants or options on issue and no obligation to issue the same except under a convertible note as detailed in Aurumin's ASX announcement dated 16 December 2021. The consideration shares issued to MDI will be subject to an escrow period of 12 months, subject to early release in certain circumstances including Aurumin being the subject of a takeover or entering a scheme of arrangement.

Minor royalties payable to former holders of the Sandstone Gold Project tenements will remain with SOPL. Aurumin will cause MDI to be released and discharged from the obligation to pay a deferred production payment of \$500,000 under the agreement pursuant to which SOPL acquired the Sandstone Gold Project in 2016.

Middle Island does not expect to pay tax consequent upon the transaction.

The transaction was subject to Aurumin having received legally binding commitments or terms for at least \$8 million by 15 December 2021 (this condition was satisfied). As Aurumin announced to ASX on 15 December 2021, it:

1. entered a Convertible Note to raise \$5 million (the issue of the Convertible Note being subject to shareholder approval);
2. has firm commitments for the placement of shares to raise \$2.5 million from institutional and sophisticated investors; and
3. intends to undertake an entitlement offer to raise up to \$5 million of which \$2 million has been underwritten.

Additional conditions precedent to completion are to be satisfied or waived by 4 February 2022 (extended to 14 February 2022), including:

1. the Company's shareholders approving the sale. In this regard, ASX has advised the Company that the proposed transaction involves the disposal of the main undertaking of the Company and requires the approval of the Company's shareholders under Listing Rule 11.2 for the transaction to proceed.
2. Aurumin's shareholders approving the acquisition of the Sandstone Gold Project; and
3. other necessary regulatory approvals and third-party consents being obtained by Aurumin and the Company.

The SPA contains typical warranties, indemnities and other rights and obligations.

A disposal by a listed entity of its main undertaking can raise issues under ASX Listing Rule 12.1 and 12.2, which oblige a listed entity to satisfy ASX on an ongoing basis that the level of its operations is sufficient, and its financial condition adequate, to warrant its continued quotation of its securities. The Company considers the risk posed to it by that Rule as a consequence of the sale to be very low given the Company's 100% ownership of the very significant and exciting Barkly Copper-Gold Super Project in the Northern Territory, which will be the Company's sole focus upon the proposed Sandstone asset sale transaction completing.

ASX has advised that MDI will be afforded a period of 6 months from the date of the announcement of the disposal of the Sandstone Gold Project to demonstrate to the ASX that it is compliant with Listing Rule



12.1. The ASX also advises that if MDI does not demonstrate compliance with this Rule to ASX's satisfaction that any transaction MDI proposes to enter into may, if required by ASX, attract the application of Listing Rule 11.1.3 and as a result the Company may be required to re-comply with Chapters 1 and 2 of the Listing Rules. Please refer to ASX Guidance Note 12: Significant Change to Activities which provides further information on significant changes to activities and how the Listing Rules apply to those changes.

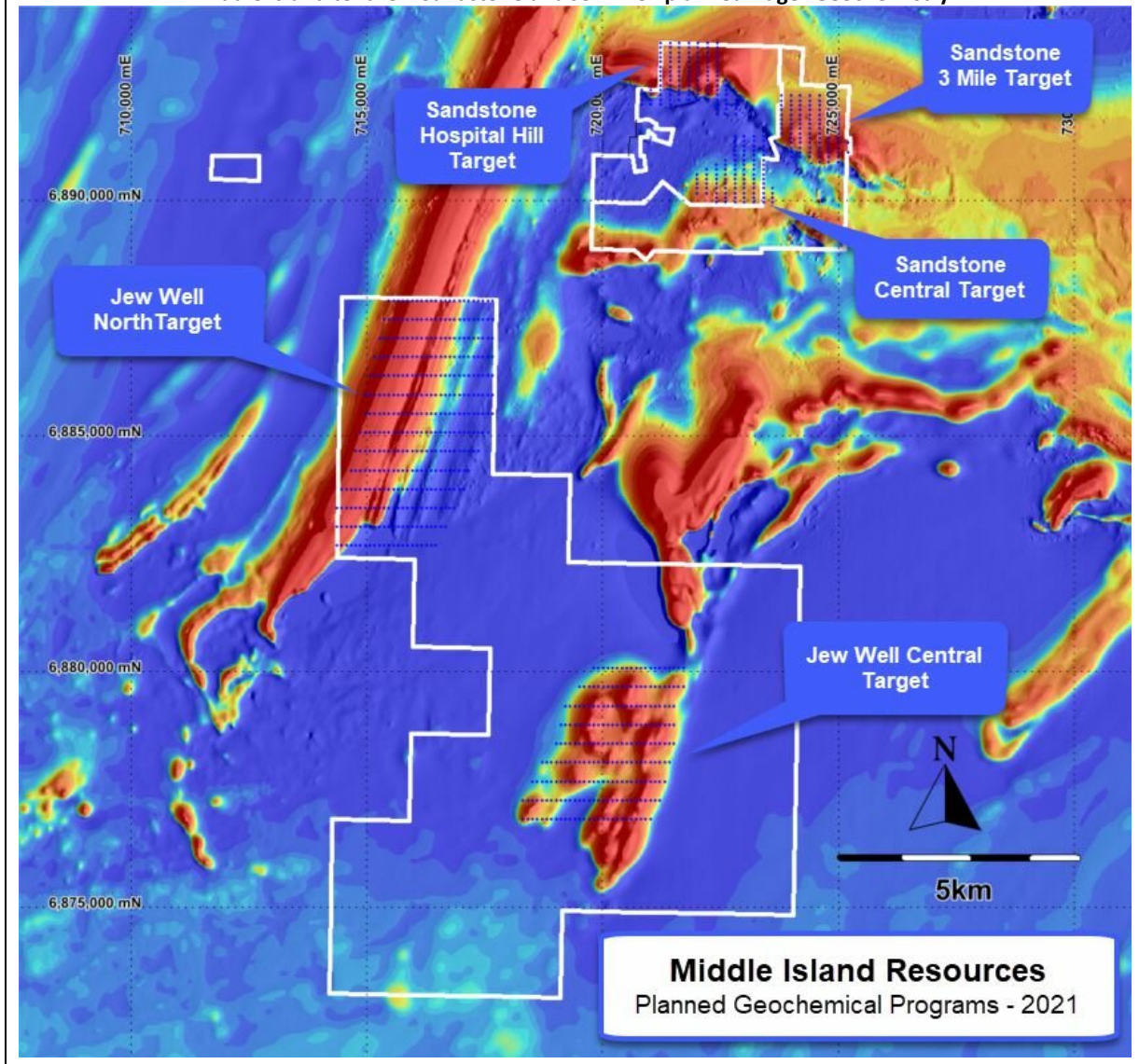
BDO Corporate Finance (WA) Pty Ltd prepared an Independent Expert Report in relation to the proposed transaction. A copy of that Report is in the Notice of Meeting circulated to MDI shareholders seeking approval for the transaction. The Independent Expert determined that the transaction is fair and reasonable to Middle Island's shareholders, and that the position of shareholders - if the transaction is approved – is more advantageous than the position that will prevail if the transaction is not approved.

#### **AUGER GEOCHEMICAL DRILLING COMPLETED (ASX RELEASE – 26 OCTOBER 2021)**

As per ASX release, the Company completed the auger drilling program across the Sandstone and Jew Well permits. 4 of the initial 5 first pass programs for a total of 536 holes were completed in 3 weeks. Holes ranged from 1m to 14m in depth and targeted interface sampling below the transported cover. Sandstone holes were completed on a wide spaced 200m by 100m grid and Jew Well on an even wider 400m by 100m grid.

The planned auger programs are shown in Figure 4 below:

**Figure 4**  
**Middle Island tenure – Sandstone and Jew Well planned Auger Geochemistry.**





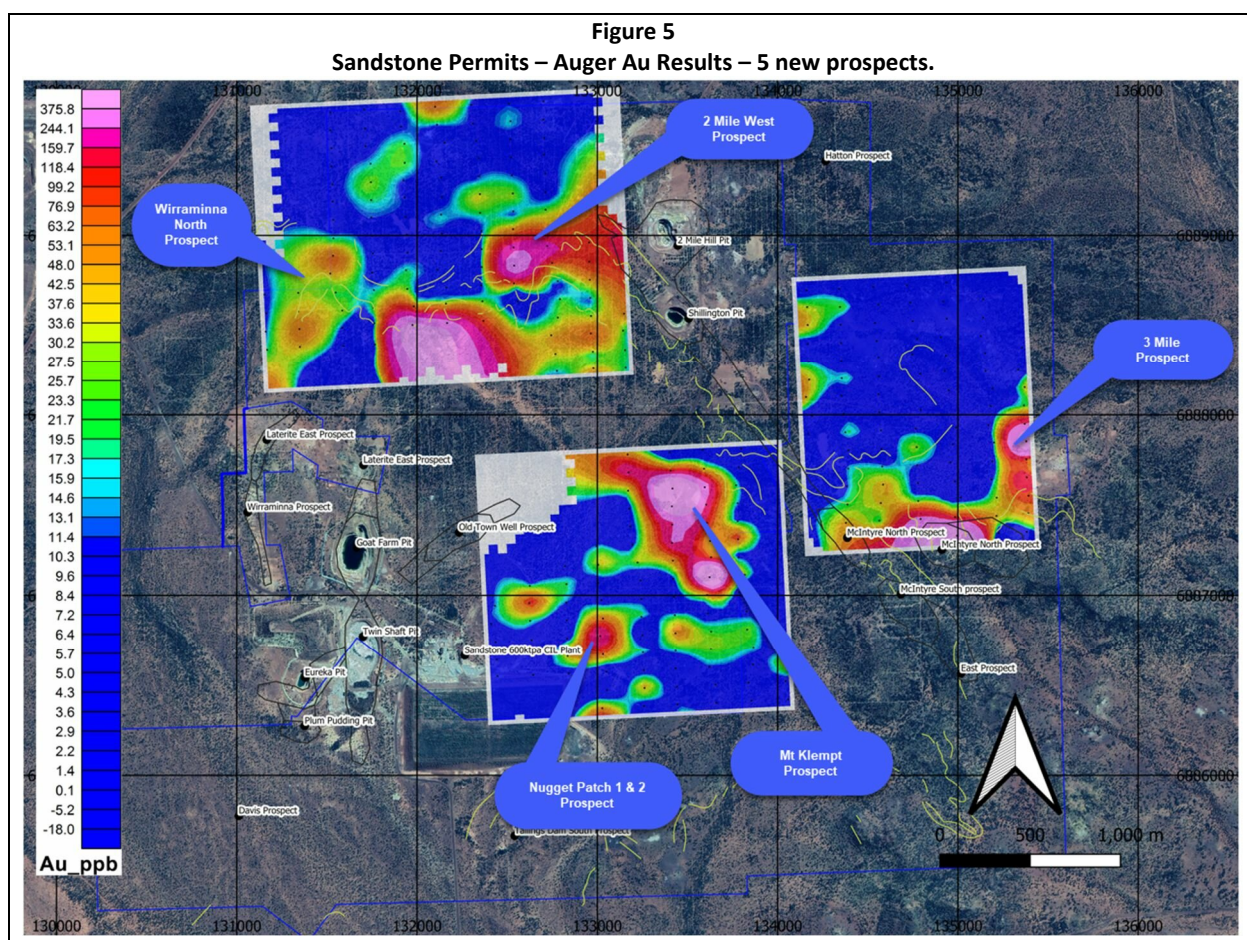
## **SANDSTONE OPERATIONS**

Middle Island undertook a portable XRF scan using an Olympus Delta pXRF. This analytical method was undertaken on 1mm sieved samples and is semi-quantitative, but effective in highlighting base and indicator elements of significance for early-stage exploration.

In the Sandstone Permits, the pXRF analysis exercise highlighted several Arsenic anomalies that can assist in mapping structures, with Arsenic often associated with Gold Mineralisation in the region.

Samples were dispatched to SGS for gold analysis by 30g Fire Assay.

The following image highlights 5 new prospects identified by the Auger Geochemistry.



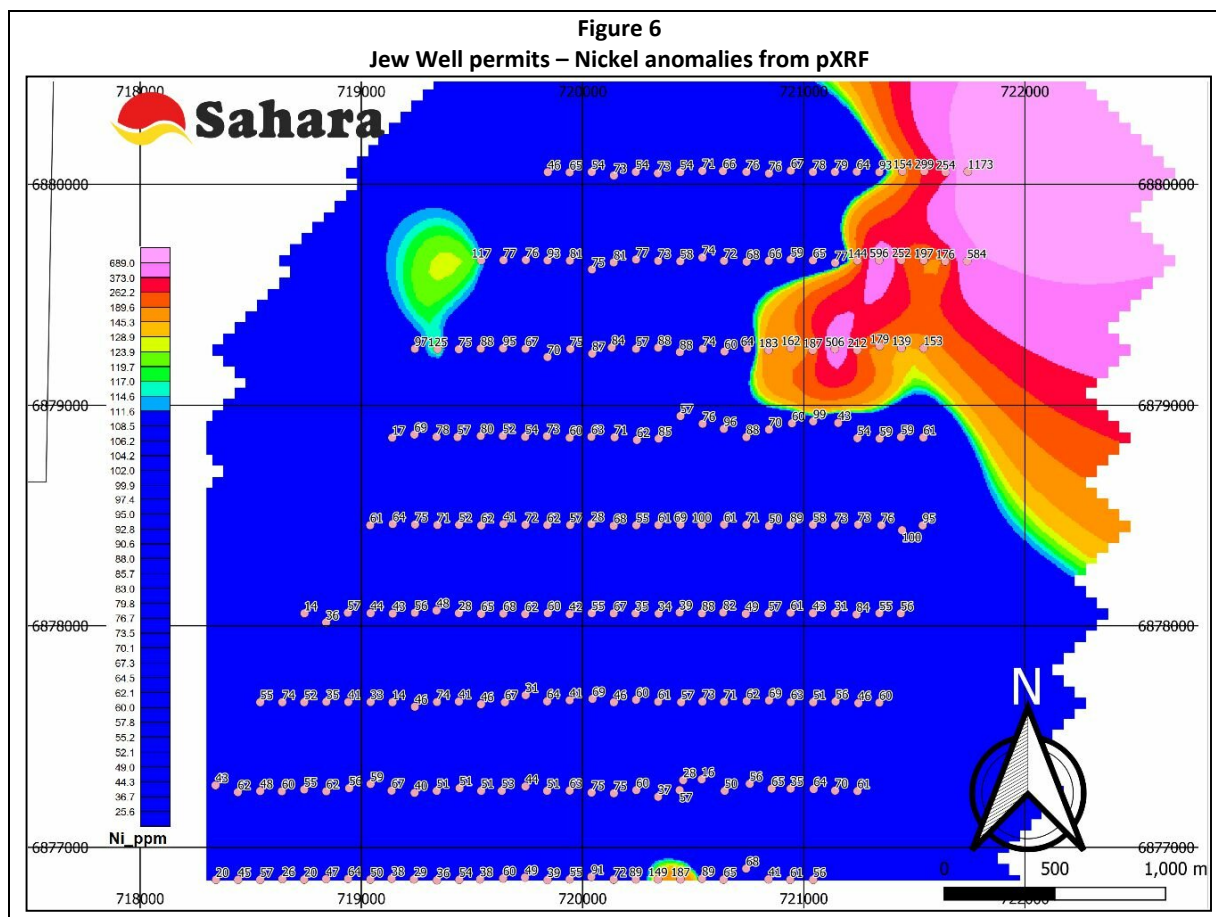
The prospects have highlighted 5 preliminary targets that require infill Auger Geochemistry to refine the anomalies. The Auger targets are all taken >1.5m depth and considered to be high quality and uncontaminated from surface small scale prospecting activity and transported material. Targets defined are:

- Nugget Patch 1 & 2 which are in proximity to historical nugget patches exploited by surface prospectors with no drilling;
- Mt Kempt, a poorly tested historical target with minor drilling;
- 3 Mile, a known nugget patch with limited drilling;
- Wirraminna North, an interpreted fault offset of Wirraminna with minor shallow drilling;
- 2 Mile West, a 600m extension associated with the Banded Iron Ridge with limited drilling; and



- a 6<sup>th</sup> prospect was defined at Nungara north but is on the boundary of the historical abandoned townsite of Nungara. Additional permitting is required to access this area.

The Jew Well program, undertaken across the magnetic feature from government magnetic data, highlighted a 2km long Nickel anomaly from pXRF pointing to potential underlying Ultramafic rocks. Weak gold was associated with the ultramafic, but the remainder of the high magnetic target returned no significant gold and is considered to be associated with fragments of sheared BIF within granite.



Interpretation of the historical datasets and the detailed magnetics and radiometrics surveys flown in 2020, is ongoing and will provide further context for the auger anomalies which will be infill sampled and prioritised for drill testing either by MDI or as proposed by Aurumin (announcement 16 December 2021) in the March quarter 2022.

### **Tribute Gold Production**

There was no tribute gold production at the Sandstone project during the 2021 December quarter.

### **Planned 2022 March Quarter Activities**

Activities planned at the Barkly Copper-Gold Super Project during the 2022 March quarter comprise: -

- Announce results of the completed ground IP works
- Follow up with 5 more IP lines to test the length and width of the Crosswinds Prospect
- Commit to drilling early in Q2, 2022
- Complete the aerial geophysics and declare the results



- Identify and report on priority targets generated
- Employ a manager Geology to focus on Barkly Copper-Gold Super Project

### **Resources and Reserves Statement**

Mineral Resources applicable to the Sandstone Gold Project as of 30 December 2021 are provided in Table 1 below.

<b>Table 1</b>									
<b>Sandstone Mineral Resources, June 2021</b>									
<b>Sandstone Open Pit Deposits – Summary Mineral Resource Estimates (2012 JORC Code) at 0.5g/t cut-off</b>									
<b>Deposit</b>	<b>Indicated</b>			<b>Inferred</b>			<b>Total</b>		
	<b>Tonnes kt</b>	<b>Au g/t</b>	<b>Au Oz</b>	<b>Tonnes kt</b>	<b>Au g/t</b>	<b>Au Oz</b>	<b>Tonnes kt</b>	<b>Au g/t</b>	<b>Au Oz</b>
<b>Two Mile Hill<sup>1</sup></b>	1,901	1.1	66,000	178	0.8	5,000	2,078	1.1	71,000
<b>Shillington<sup>3</sup></b>	1,440	1.2	57,200	830	1.1	29,300	2,270	1.2	86,500
<b>Wirraminna<sup>3</sup></b>	300	1.3	12,100	280	1.1	9,700	580	1.2	21,800
<b>Old Town Well<sup>5</sup></b>	282	1.0	8,800	68	0.6	1,400	351	0.9	10,100
<b>Plum Pudding<sup>5</sup></b>	384	1.1	13,100	35	0.9	1,000	419	1.1	14,100
<b>Eureka<sup>7</sup></b>	340	0.9	9,700	221	0.9	6,500	561	0.9	16,200
<b>Twin Shafts<sup>4</sup></b>	149	1.0	4,700	37	0.7	900	186	0.9	5,600
<b>Goat Farm<sup>4</sup></b>				398	1.0	13,200	398	1.0	13,200
<b>McIntyre<sup>4</sup></b>	496	1.2	19,400	67	0.9	1,900	562	1.2	21,300
<b>Ridge<sup>6</sup></b>	173	1.2	6,700	67	1.9	4,000	240	1.4	10,700
<b>McClaren<sup>6</sup></b>	236	1.4	10,600	60	1.7	3,200	296	1.5	13,800
<b>Open Pit Subtotal</b>	<b>5,701</b>	<b>1.1</b>	<b>208,300</b>	<b>2,241</b>	<b>1.0</b>	<b>76,100</b>	<b>7,941</b>	<b>1.1</b>	<b>284,300</b>
<b>Sandstone Underground Deposits – Summary Mineral Resource Estimates (2012 JORC Code) *</b>									
<b>Two Mile Hill<sup>2</sup></b>				14,000	1.10	480,000	14,000	1.10	480,000
<b>Two Mile Hill – BIF<sup>2</sup></b>				200	3.10	20,000	200	3.10	20,000
<b>Underground Subtotal</b>				<b>14,200</b>	<b>1.1</b>	<b>500,000</b>	<b>14,200</b>	<b>1.1</b>	<b>500,000</b>
<b>TOTAL</b>	<b>5,701</b>	<b>1.1</b>	<b>208,300</b>	<b>16,220</b>	<b>1.2</b>	<b>569,6000</b>	<b>22,141</b>	<b>1.1</b>	<b>784,300</b>

The totals contained in the above table have been rounded to reflect the relative uncertainty of the estimates, which may result in some computational discrepancies.

\*The Two Mile Hill Tonalite Deeps and BIF Deeps have been reported within optimised wireframes. All wireframes include waste and have an aggregate grade at or above the cut-off of 0.64g/t Au.

This Statement includes information extracted from the Company's previous ASX announcements, which are available to view on the Company's website, as follows:

<sup>1</sup> ASX Release dated 14 December 2016.

<sup>2</sup> ASX Release dated 14 April 2020.

<sup>3</sup> ASX Release dated 24 July 2020.

<sup>4</sup> ASX Release dated 2 October 2020.

<sup>5</sup> ASX Release dated 21 October 2020.

<sup>6</sup> ASX Release dated 17 November 2020

<sup>7</sup> ASX Release dated 7 July 2021



## **Mining Tenements**

Middle Island Resources Limited advises the following information required under ASX Listing Rule 5.3.3 as of 31 December 2021.

<b>Table 2</b> <b>Middle Island Resources' Tenements</b>				
<b>Tenements</b>	<b>Mining tenements acquired during the quarter</b>	<b>Mining tenements disposed during the quarter</b>	<b>Mining tenements held at the end of the quarter</b>	<b>Tenement location</b>
M57/128	-	-	100%	Western Australia
M57/129	-	-	100%	Western Australia
P57/1384	-	-	100%	Western Australia
P57/1395	-	-	100%	Western Australia
P57/1442	-	-	100%	Western Australia
E57/1102	-	-	100%	Western Australia
EL 32290	Granted		100%	Northern Territory
EL 32291	Granted		100%	Northern Territory
EL 32292	Granted		100%	Northern Territory
EL 32297	Granted		100%	Northern Territory
EL 32298	Granted		100%	Northern Territory
EL 32301	Granted		100%	Northern Territory
EL 32304	Granted		100%	Northern Territory
EL 32305	Granted		100%	Northern Territory
EL 32308	Granted		100%	Northern Territory
EL 32309	Granted		100%	Northern Territory
EL 32680	Granted		100%	Northern Territory
EL 32814	Application		Pending Grant – 100%	Northern Territory
EL 32815	Application		Pending Grant – 100%	Northern Territory
EL 32816	Application		Pending Grant – 100%	Northern Territory
EL 32626	Application		Pending Grant – 100%	Northern Territory
EL 32627	Application		Pending Grant – 100%	Northern Territory
EL 32680	Application		Pending Grant – 100%	Northern Territory

## **Safety, Environmental & Social**

### **Health & Safety**

No injuries or incidents were recorded at the Company's projects and premises during the December quarter.

No COVID-19 infections have been recorded amongst staff or contractors.

### **Environment**

No injuries or environmental incidents were recorded at the Company's projects or premises during the December quarter.

Rehabilitation at the Sandstone gold project, primarily drill sites and temporary access tracks, is being progressively undertaken in accordance with POW and other environmental requirements.

### **Social**

The Company continues to engage with the Shire of Sandstone, pastoralists, prospectors and the local community. This process includes the procurement of labour, materials and services locally, wherever practical, and sponsorship of various community events and heritage activities.

A similar approach to community engagement is planned in the NT.

**RELEASE AUTHORISED BY:**

Board of Middle Island Resources Limited

**COMPANY CONTACTS:**

Brad Marwood – Executive Director +61 (0)8 9322 1430

**WEBSITE:** [www.middleisland.com.au](http://www.middleisland.com.au)

**Forward Looking Statements**

Certain statements made during or in connection with this communication, including, without limitation, those concerning the economic outlook for the mining industry, expectations regarding gold prices, exploration costs and other operating results, growth prospects and the outlook of Middle Island's operations contain or comprise certain forward-looking statements regarding Middle Island's exploration operations, economic performance and financial condition. Although Middle Island believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct.

Accordingly, results could differ materially from those set out in the forward looking statements as a result of, among other factors, changes in economic and market conditions, success of business and operating initiatives, changes that could result from future acquisitions of new exploration properties, the risks and hazards inherent in the mining business (including industrial accidents, environmental hazards or geologically related conditions), changes in the regulatory environment and other government actions, risks inherent in the ownership, exploration and operation of or investment in mining properties in foreign countries, fluctuations in gold prices and exchange rates and business and operations risks management, as well as generally those additional factors set forth in our periodic filings with ASX. Middle Island undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events.

**Competent Person's Statement**

Information in this report relates to exploration results that are based on information compiled by Mr Beau Nicholls (Member of the Australasian Institute of Mining and Metallurgy). Mr Nicholls is a consultant of Middle Island and has sufficient experience which is relevant to the styles 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 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Nicholls consents to the inclusion in the release of the statements based on his information in the form and context in which they appear.

**Previously Reported Information**

This report includes information that relates to previously reported Exploration Results, which were prepared and first disclosed under the JORC Code 2012. The information was extracted from the Company's previous announcements, which are available to view on the Company's website and variously include the following: -

Mineral Resources: ASX Releases dated 14 April 2020, 24 July 2020, 14 August 2020, 2 October 2020, 21 October 2020, 17 November 2020 and 7 July 2021.

Exploration Results: ASX Releases dated 18 January 2017, 12 September 2017, 14 November 2017, 19 December 2018, 14 April 2020, 21 April 2020, 28 April 2020, 8 May 2020, 22 May 2020, 29 May 2020, 26 June 2020, 2 July 2020, 29 July 2020, 30 July 2020, 6 August 2020, 18 August 2020, 27 August 2020, 9 October 2020, 30 October 2020 & 23 December 2020.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and have not materially changed. The Company confirms that the form and context in which any Competent Person's findings are presented have not been materially modified from the original market announcements.

## Appendix 5B

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

Name of entity

**Middle Island Resources Limited**

ABN

70 142 361 608

Quarter ended ("current quarter")

31 December 2021

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 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	(277)	(951)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(191)	(520)
	(e) administration and corporate costs	(155)	(284)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	18
1.8	Other (provide details if material)	12	12
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(611)</b>	<b>(1,725)</b>

<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	(2)
	(d) exploration & evaluation	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	1
	(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)	(100)	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(100)</b>	<b>(1)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(15)	(42)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material) Principal elements of lease payments	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(15)</b>	<b>(42)</b>

<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	2,209	3,248
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(611)	(1,725)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(100)	(1)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(15)	(42)

## 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 (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(3)	-
4.6	<b>Cash and cash equivalents at end of period</b>	<b>1,480</b>	<b>1,480</b>

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,439	2,168
5.2	Call deposits	20	20
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	21	21
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,480</b>	<b>2,209</b>

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	49
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>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.</i>		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	15	15
7.4	<b>Total financing facilities</b>	<b>15</b>	<b>15</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.		
	Other: consists of the unamortised balance of an insurance premium funding facility.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(611)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(611)
8.4	Cash and cash equivalents at quarter end (item 4.6)	1,480
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	1,480
8.7	<b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	2.42
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>		
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: N/A	
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: N/A	
8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer: N/A	
<i>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.</i>		

## Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: **31 January 2022**

Authorised by: **Rudolf Tieleman, Company Secretary**  
(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.

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

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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.
6. By the Company lodging this Appendix 5B, the Executive Director and CFO declare that the Appendix 5B for the relevant quarter:
  - presents a true and fair view, in all material respects, of the cashflows of the Company for the relevant quarter and is in accordance with relevant accounting standards;
  - the statement given above is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board; and
  - the Company's financial records have been properly maintained and the Company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.