

21 July 2023

QUARTERLY ACTIVITIES REPORT 2022/2023

FAST FACTS

ASX Code: ERW

BOARD OF DIRECTORS

Executive Chairman

Thomas Reddcliffe

Non-Executive Directors

Jo Battershill

George Ventouras

KEY PROJECTS

Andover West (Nickel)

Binti Binti (Gold)

Errabiddy (Gold & Nickel-Copper)

Fraser Range (Nickel-Copper-PGE)

ABOUT ERRAWARRA RESOURCES

(Est. 2012)

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

During the 4th Quarter (April - June 2023):

- ↳ **Andover West (Nickel-Copper)** - High powered ground EM surveys completed over 5 target areas, with report to follow. Lithium exploration continues via ground reconnaissance and sampling with 72 rock chip samples submitted for laboratory analysis. Results are pending.
- ↳ **Errabiddy (Gold & Nickel-Copper)** - The Company discovered graphite outcrops at Errabiddy which returned assays of 14.4% and 9.2% TGC. Ground EM survey identified a conductive zone along strike from the Graphite Bull graphite deposit. Nickel targets were also identified from the companies previously acquired aeromagnetic survey data.
- ↳ **Fraser Range (Nickel-Copper-PGE)** - The Fraser Range project is under review with the Company assessing options for divestment or joint venture.
- ↳ **Binti Binti (Gold)** - The Binti Binti project remains under review with the Company assessing options for field programs as well as divestment and joint venture opportunities.
- ↳ **Corporate** - Although the Company is maintaining a strong focus on the Andover and Errabiddy projects, the board is also currently assessing the remainder of its projects for potential joint venture and divestment opportunities, along with potential project acquisitions.

Goals for the 1st Quarter (July - September 2023):

- ↳ **Andover West (Nickel-Copper)** - Potential drill testing of conductor targets identified from recently completed high powered FLEM surveys. Additionally, the Company will be continuing its investigation into the potential occurrence of lithium pegmatites within the project area post receipt and assessment of pending assay results.
- ↳ **Errabiddy (Gold & Nickel-Copper)** - Further ground EM surveys to be conducted in proximity to the Graphite Bull deposit. Ground investigation to validate selected nickel targets for potential detailed follow up exploration. Reconnaissance sampling within the Errabiddy project tenements will also be undertaken.
- ↳ **Fraser Range (Nickel-Copper-PGE)** - The Fraser Range project is under review with the Company assessing options for field programs as well as divestment and joint venture.
- ↳ **Binti Binti (Gold)** - The Binti Binti project will remain under review.
- ↳ **Project Generation** - The Company continues to seek out and examine further exploration opportunities in favourable jurisdictions which could complement its focus on the green technology metals nickel and copper, with a preference for advanced projects with high value potential.

EXPLORATION

Andover West (Nickel-Copper)

The Andover West Project is located 30km south-east of Karratha and is targeting mafic intrusions hosting nickel-copper mineralisation. The area of the tenement which is currently under review is only 2.8km from the Andover Ni-Cu discovery where Azure Minerals announced a maiden resource of 4.6Mt @ 1.11%Ni, 0.47% Cu and 0.05% Co¹ and only ~1.5km from Azure's Ridgeline prospect which recently reported highest grade nickel intercepts of 18.2m @ 1.93% Ni² and a maiden resource of 1.3Mt @ 1.11% Ni, 0.46% Cu and 0.05% Co³.

A high powered (deep penetrating) electromagnetic (**EM**) survey was undertaken which was aimed at identifying deeper and subtle targets that could warrant drill testing. The Company's consultants are currently compiling their report and will provide recommendations for the Company to consider regarding ongoing exploration plans and potential drill testing of new targets.

The Company will also continue to explore the Andover West project for the occurrence of lithium pegmatites and once the recent sample assay results have been received, will be able to plan the next phase of exploration. With the Pilbara region becoming a focus for lithium pegmatite exploration, the Company will continue to actively explore its tenements.

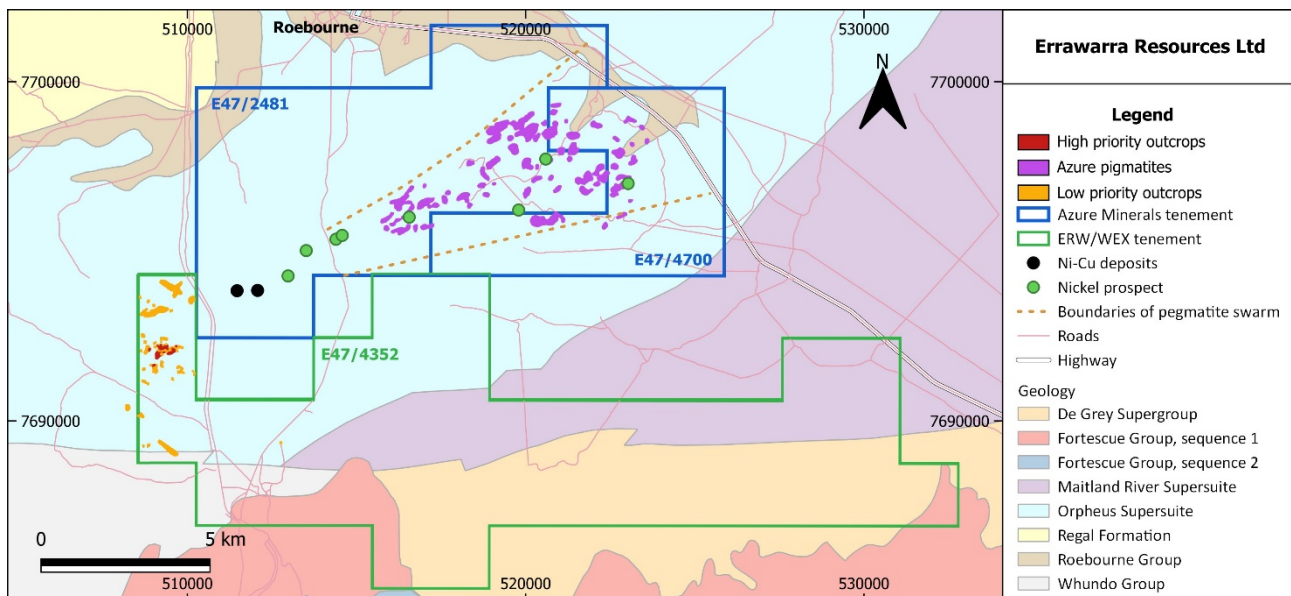


Figure 1. Location of Andover West Pegmatite Targets

Errabiddy

The Errabiddy Project is located within the Gascoyne Province covering an area of 1,066km² and comprising eight granted tenements four of which are contiguous. The tenements are within the Proterozoic Capricorn Orogen, a collisional belt between the Archaean Pilbara and Yilgarn Cratons in Western Australia. The moderately north dipping, imbricate Errabiddy Shear Zone is more than 200km long and up to 20km wide and marks the suture between the Pilbara Craton-Glenburgh Terrane with the Yilgarn Craton during the 2000-1960Ma Glenburgh Orogeny. Whilst the Errabiddy Shear Zone is the principal suture zone between the Glenburgh Terrane and the Yilgarn Craton, the Cardilya Fault is the main crustal structure that separates the two.

¹ Refer to Azure Minerals Ltd ASX announcement dated 30 March 2022.

² Refer to Azure Minerals Ltd ASX announcement dated 23 November 2022.

³ Refer to Azure Minerals Ltd ASX announcement dated 8 February 2023.

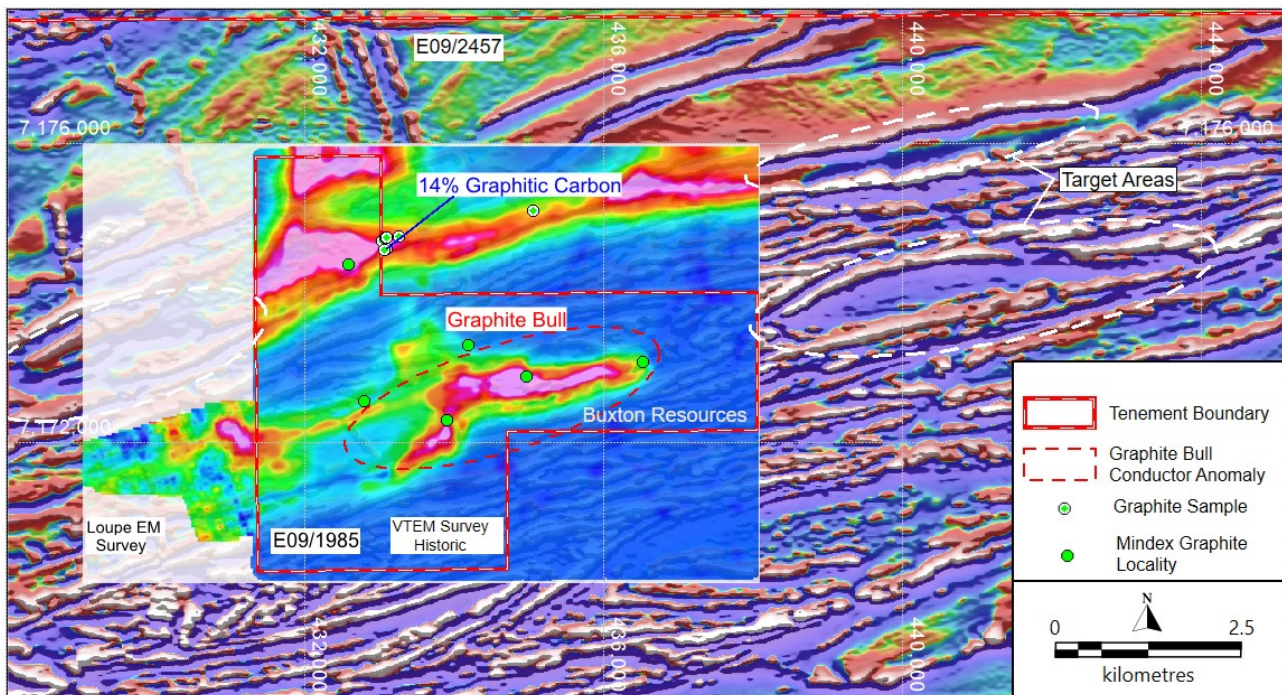


Figure 2. Errabiddy Project, graphite over magnetic image

Exploration

The area is highly competitive for nickel and gold exploration but more recently there is an emerging focus on graphite and REE exploration with significant exploration results reported by Buxton Resources, Desert Metals and Krakatoa Resources, all of which are in proximity to the Errabiddy Project.

Recent discovery of REE's in the vicinity of the Errabiddy Project tenements by Desert Metals Ltd⁴ and Krakatoa Resources Ltd⁵, together with an independent review commissioned by Errawarra, proved that REE potential exists on the tenement package. The report highlighted potential exploration target areas across the range of tenements but highlighted by E09/2459 where the review has identified multiple priority target areas. These target areas were based on the interpretation of spectral signatures and other factors following a review of remote sensing hyperspectral datasets. In addition, a review of the GSWA soil sampling dataset reveals several anomalous TREO samples within the project tenements. The significance of these soil sample results is not known at this stage but warrants follow-up to determine the source of the anomalous REE results.

Reconnaissance sampling will also be undertaken in selected areas within the broader project tenements, targeting nickel, gold and rare earths.

Subsequent to the above, Buxton Resources Limited recently announced the discovery of further significant graphite results from its Graphite Bull project⁶ which adds to its previously reported Mineral Resource Estimate (**MRE**) of 4Mt @ 16.2% TGC⁷.

Errawarra undertook further ground reconnaissance and ground based geophysical surveys at its Errabiddy graphite project in the central Gascoyne region. The Company initially used EM34 to trial the effectiveness of this survey technique in identifying the shallow graphitic schists which occur in the area, and which are known to be highly conductive. The results of these trials proved successful, and the company committed to the undertaking of a ground-based Loupe EM survey which was undertaken by Southern Geoscience. The Loupe EM system is a deeper penetrating and more sophisticated version of EM34. This latter survey focussed on the western extension of the Graphite Bull deposit which

⁴ Refer Desert Metals Ltd ASX announcement dated 23 May 2022.

⁵ Refer Krakatoa Resources Ltd ASX announcement dated 24 November 2021.

⁶ Refer Buxton Resources Limited ASX announcement dated 23 March 2023.

⁷ Refer Buxton Resources Limited ASX announcement dated 24 October 2014.

is clearly defined in the publicly available airborne VTEM survey data. A strong conductive zone has been defined 2.5km west of Graphite Bull and 3D modelling of the data is currently being undertaken. A second conductive zone is highlighted by the VTEM survey data 2km to the north of the Graphite Bull deposit. Reconnaissance surface samples taken in this area reported a peak value of 14.4% Total Graphitic Carbon (**TGC**) and confirms the association of graphitic schists and the conductor anomalies⁸.

Errabiddy nickel

In addition to the encouraging graphite results, the Company has also identified a number of potential nickel targets from the aeromagnetic survey data flown by the company in 2021. These targets present as strong magnetic anomalies that may represent the presence of mafic intrusions. The company is planning to ground truth these targets to ascertain whether follow-up by airborne or ground based EM surveys is warranted.

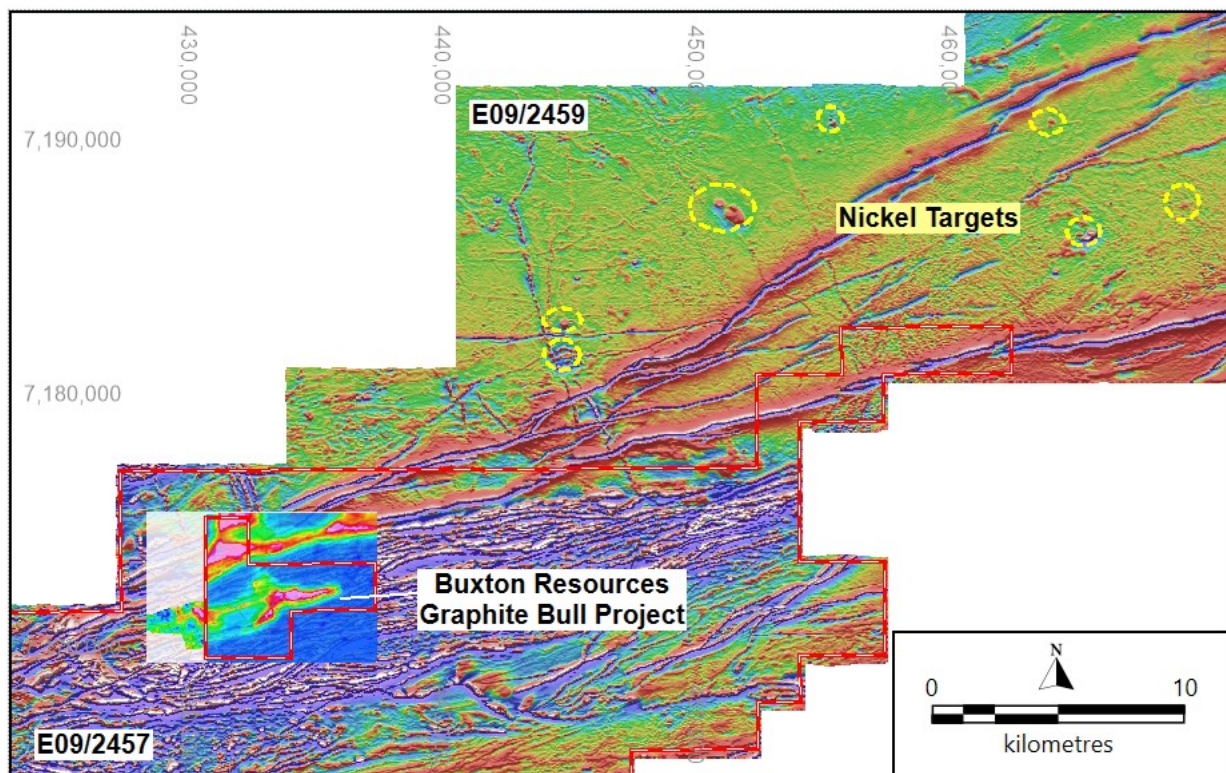


Figure 3. Nickel targets over TMI magnetic image

Fraser Range (Nickel-Copper-Cobalt)

The Fraser Range Project is located approximately 130km east of Norseman, Western Australia and covers an area of approximately 105km² within the Dundas and Warburton Mineral Fields. The project is located within the Shire of Dundas and comprises the two tenements E63/1941 and E63/1771.

⁸ Refer Errawarra Resources Ltd ASX announcement dated 29 June 2023.

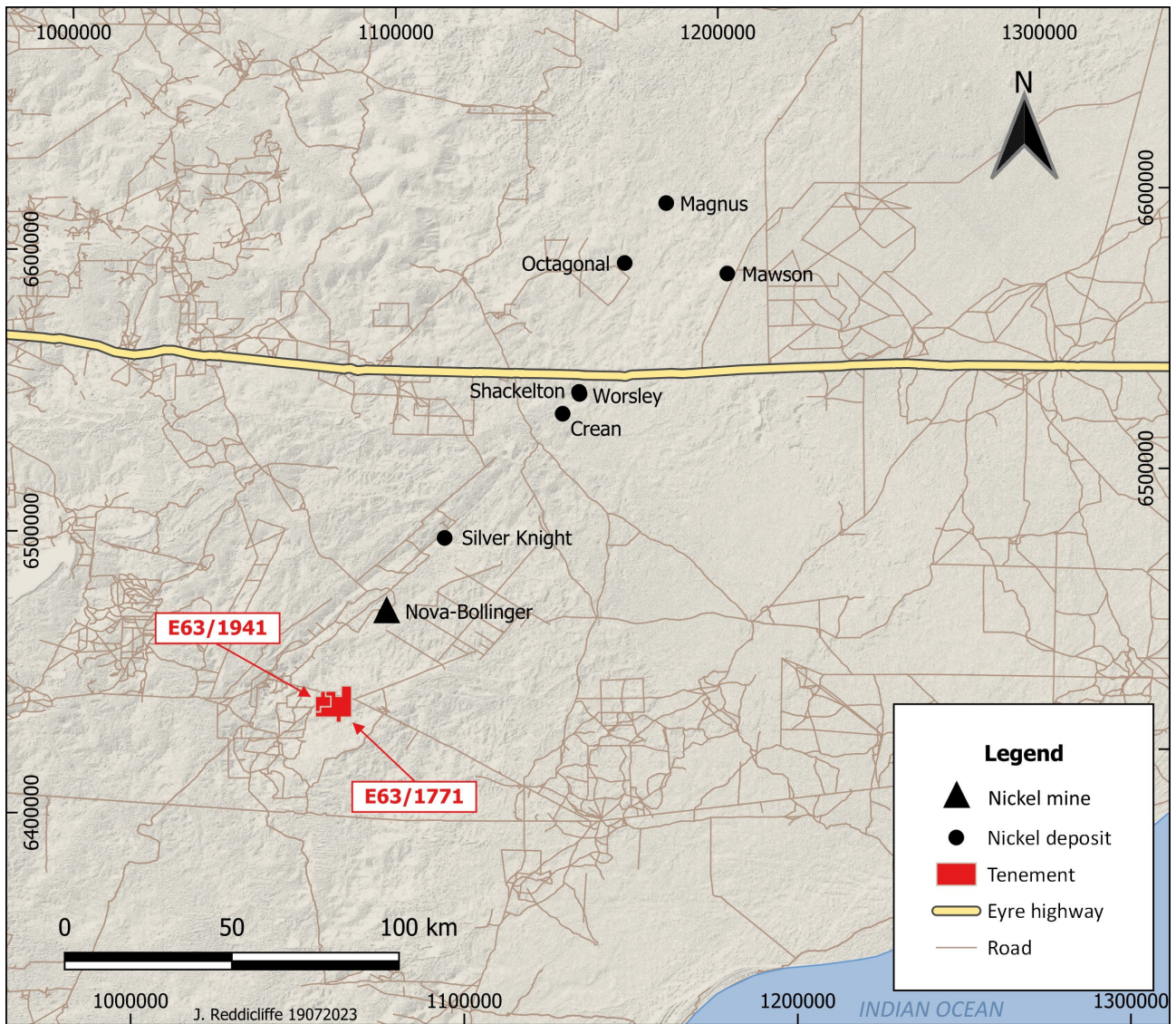


Figure 4. Location of Project Tenements

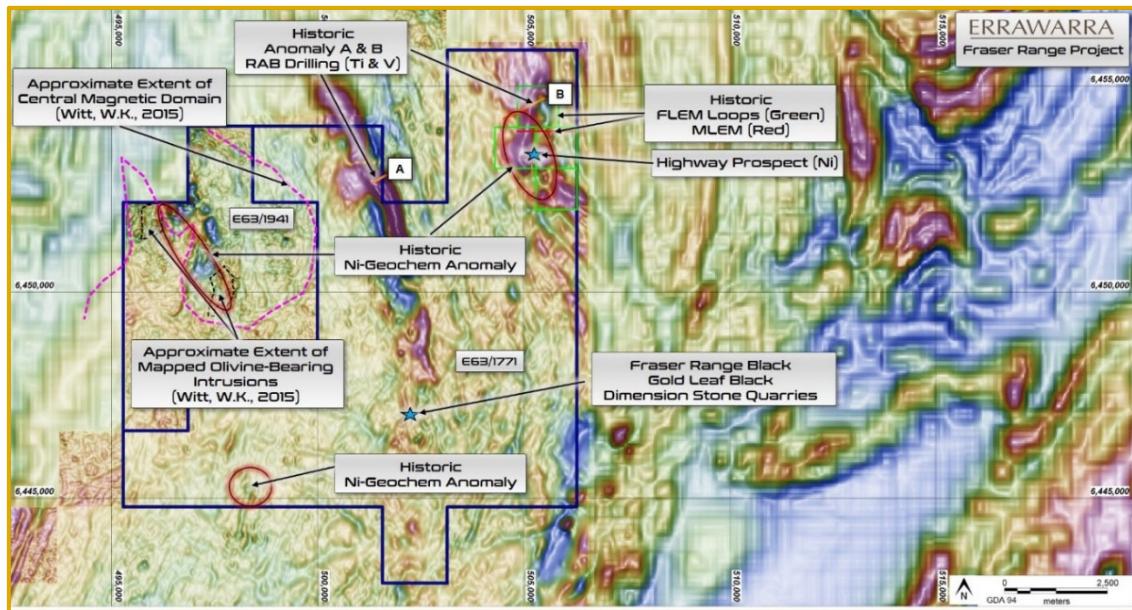


Figure 5. Prospectivity Map

Exploration

The Fraser Range Project is an early-stage exploration project with priority areas identified for testing based on gravity anomalies, magnetic anomalies, geochemical anomalies, and favourable geological units for hosting sulphide mineralisation. Surface EM surveying has been completed over four priority areas within the project and was aimed at identifying bedrock conductors that may be related to nickel-copper-cobalt sulphide mineralisation. The MLEM component of the EM surveying was completed by early August 2021.

No strong anomalous responses considered consistent with a massive sulphide (Nova-style) source have been observed in the initial MLEM surveys, although several weak anomalous responses have been observed at early to mid-delay times.

No further work was conducted during the quarter and the Company will seek to review options for the development or divestment of this project.

Binti Binti (Gold)

The Binti Binti Project is located approximately 75km north-northeast of Kalgoorlie, Western Australia and covers an area of approximately 116km² within the Kanowna Mineral Field. The project is located within the Shire of Menzies and City of Kalgoorlie-Boulder and comprises the three tenements E27/603, E27/577, and E31/1298.

The Binti Binti Project is considered prospective for both orogenic gold and komatiitic nickel-cobalt mineralisation. The gold prospectivity is considered high given the proximity to the historical Gindalbie/Binti Binti Goldfield and associated workings which are developed on steeply west dipping quartz veins within an interpreted north-northwest trending shear zone. Rock-chip sampling and geological observations from the workings confirm gold mineralisation in narrow quartz stringers and stockworks.

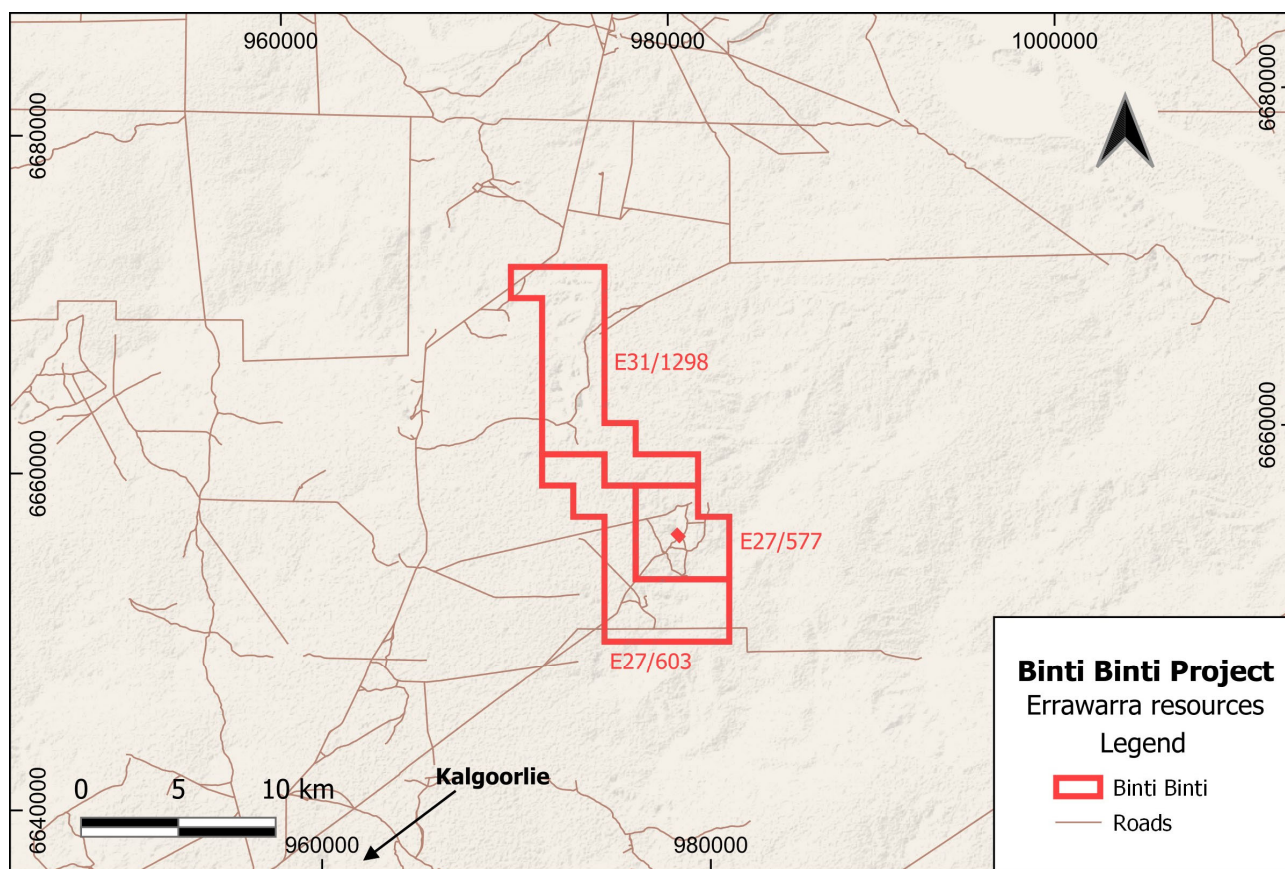


Figure 6. Binti Binti Tenement Plan

Exploration

Errawarra has undertaken initial drilling on tenement E27/603 and the adjacent Gindalbie tenement (E27/577). Gold-bearing structures identified throughout the southern and western parts of the project hosting historic gold workings were mostly untested by drilling. The aircore program consisted of 162 holes for a total of 4,760 m and was planned to broadly test the area, with numerous target areas selected for reconnaissance / first pass drill testing.

Field reconnaissance and geochemical sampling were carried out during March 2021 where a total of 55 samples were taken, consisting of rock chips and grab samples (of previously disturbed materials). The purpose of the sampling was to assist in the identification of rock types and to determine which rocks hosted gold mineralisation. Of the 55 samples, 15 returned gold assays greater than 0.1 g/t Au which were all taken from locations of previous mining and/or prospector activity. There were also numerous samples taken from such locations that returned <0.1 g/t Au. The peak sample assayed 227.2 g/t Au, with a second adjacent sample returning 1.2 g/t Au which highlights the nuggety nature of the gold in this area⁹. This reconnaissance work was followed by an aircore drill program.

The Binti Binti project remains under review with the Company assessing options for divestment or joint venture.

Project Generation

The Company continues to seek out and examine further exploration opportunities in favourable jurisdictions which could complement its existing focus on the green technology metals nickel and copper, with a preference for advanced projects with high value potential.

⁹ Refer Errawarra Resources Ltd ASX announcement dated 2 July 2021.

GOVERNANCE

ASX Announcements

Date	Announcement Title
12/04/2023	Graphite Outcrops Discovered at Errabiddy
28/04/2023	Quarterly Activities and Cash Flow Reports
04/05/2023	New EM to Target Ni-Cu at Andover West
15/06/2023	Lithium Exploration Continues at Andover West
29/06/2023	Errabiddy Rock Samples Deliver Nickel Targets

CORPORATE AND FINANCE

Issue capital

The capital structure of the Company as of 30 June 2023 was:

Capital Structure	
Ordinary fully paid shares	60,504,002
Unlisted options exercisable at \$0.30 on or before 26 November 2024	1,800,000
Unlisted options exercisable at \$0.30 on or before 3 December 2024	1,800,000
Unlisted Options exercisable at \$0.30 on or before 21 April 2025	7,500,000
Unlisted Options exercisable at \$0.25 on or before 29 June 2025	1,500,000
Unlisted Options exercisable at \$0.25 on or before 25 September 2025	1,500,000
Unlisted Options exercisable at \$0.25 on or before 30 November 2025	1,500,000
Unlisted Options exercisable at \$0.40 on or before 21 April 2026	2,000,000
Performance Rights Class B on or before 21 April 2027	5,000,000

Finance

The Company had \$1.3 million cash on hand as of 30 June 2023.

Related Party payments for the quarter outlined in Appendix 5B at section 6.1 and 6.2 total \$75,000 and include amounts paid to directors for salary, directors' fees and statutory superannuation.

This ASX announcement has been authorised for release by Thomas Reddicliffe, Executive Director.

For further information, please contact:

Thomas Reddicliffe
Executive Chairman
E: info@errawarra.com
T: +61 8 9322 3383

TENEMENT SCHEDULE

Current

Tenement number	Interest		Note
	Start	End	
Location: Errabiddy, Australia ¹			
E09/2346	80%	80%	3
E09/2410	100%	100%	
E09/2440	100%	100%	
E09/2457	100%	100%	
E09/2459	100%	100%	
E52/3838	100%	100%	
E09/2652	100%	100%	
E09/2602	100%	100%	

Tenement number	Interest		Note
	Start	End	
Location: Fraser Range, Australia ¹			
E63/1771	70%	70%	5
E63/1941	70%	70%	5
Location: Binti Binti, Australia ¹			
E27/0577	80%	80%	3
E27/0603	0%	0%	4
E31/1298	100%	100%	
Location: Andover West, Australia ²			
E47/4352	80%	80%	6

Note:

- 1 Errawarra Pty Ltd (**ERR**) is a wholly owned subsidiary of Errawarra Resources Ltd. ERR is the registered holder of the tenements.
- 2 Western Exploration Pty Ltd (**WEX**) is an 80% interest owned subsidiary of Errawarra Resources Ltd. WEX is the registered holder of the tenement.
- 3 ERR holds 80% of all minerals rights, title and interests.
- 4 ERR has the exclusive rights to earn up to an 80% interest subject to meeting the conditions set out in the agreement.
- 5 ERR holds 70% of all minerals rights, title and interests.
- 6 WEX hold all mineral rights except the Fe rights at the Andover West project.

Application

Nil.

Relinquished or Lapsed

Nil.

COMPETENT PERSONS

The information in this document that relates to exploration results at the Fraser Range and Binti Binti is based on information compiled by Adrian Black, a Competent Person who is a Member of the AIG (1364). Mr Black is a consultant to Errawarra Resources Ltd and its subsidiary companies and has sufficient experience, which is relevant to the style of mineralisation and types of deposits under consideration and to the activity which has been 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 (JORC Code).

The information in this document that relates to exploration results at the Andover West Project is based on information compiled by Thomas Reddcliffe, a Competent Person who is a Fellow of the AusIMM (211186). Mr Reddcliffe is a consultant and director of Errawarra Resources Ltd and its subsidiary companies and has sufficient experience, which is relevant to the style of mineralisation and types of deposits under consideration and to the activity which has been 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 (JORC Code).

Information on recent exploration results for all Errawarra's projects, including JORC Table 1 and 2 information is included in the relevant ASX announcements as shown below.

- └ Announcement 12 April 2023 - Graphite Outcrops discovered at Errabiddy
- └ Announcement 22 March 2023 - Copper-Nickel Mineral System Confirmed
- └ Announcement 2 March 2023 - Copper Sulphide Mineralised Zones Identified at Andover West

Appendix 5B

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

Name of entity

ERRAWARRA RESOURCES LTD

ABN

95 155 472 834

Quarter ended ("current quarter")

30 June 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(151)	(1,042)
(b) development	-	-
(c) production	-	-
(d) staff costs	(27)	(167)
(e) administration and corporate costs	(69)	(851)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	4	16
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes received/(paid)	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(243)	(2,044)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation	-	-
(e) investments	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
2.2 Proceeds from the disposal of:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans (to) / from other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	-	-

3. Cash flows from financing activities		
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
3.4 Transaction costs related to issues of equities, securities or convertible debt securities	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	-	3

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	1,501	3,299
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(243)	(2,044)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	3

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
4.5 Effect of movement in exchange rates on cash held	-	-
4.6 Cash and cash equivalents at end of period	1,258	1,258

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	1,258	1,501
5.2 Call deposits	10	10
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,268	1,511

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	75
6.2 Aggregate amount of payments to related parties and their associates included in item 2	-
Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments	
6.1 Director fees, statutory superannuation and reimbursements. Legal and business development consultation fees.	

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(243)
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)	(243)
8.4 Cash and cash equivalents at quarter end (item 4.6)	1,258
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	1,258
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	5.18
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

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

Date: 21 July 2023

Authorised by: Thomas Reddicliffe, Executive Chairman

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee - eg *Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.