

**BOARD &
MANAGEMENT**

Glenn Davis - Chair
Michael Schwarz - MD
Gary Ferris - NED
Jarek Kopias - Co Sec

**CAPITAL
STRUCTURE**

Ordinary Shares
Issued 122.2M

Options
Issued 3.0M

Performance rights
Issued 0.2M

CONTACT

Address:
Level 3, 170 Greenhill Rd
PARKSIDE SA 5063

Email:
info@itechminerals.com.au

Website:
www.itechminerals.com.au

**QUARTERLY ACTIVITIES REPORT FOR THREE
MONTHS ENDED 31 DECEMBER 2022**

- iTech Minerals completed an oversubscribed placement, to sophisticated and institutional investors, to raise \$4.5 million.
- The Company also completed a Share Purchase Plan to raise a further \$2 million with total subscriptions in excess of \$8.8 million.
- With a total of \$6.5 million raised the company ended the quarter with a cash balance of \$8.5 million.
- Following an end of year review, the Company has decided to focus on advancing the Campoona Graphite Project.
- Preliminary results from metallurgical test work at the Sugarloaf Graphite Prospect, reclassified the mineralisation as fine crystalline flake graphite which opens the pathway to produce a premium battery anode material.
- Government and landowner approvals have been received to commence significant exploration and resource drilling programs at the Lacroma and Sugarloaf Graphite Prospects on the Eyre Peninsula, South Australia.
- Drill site preparation is underway, and drilling is due to commence late January 2023.

iTech Minerals Ltd (ASX: ITM, iTech or Company) is pleased to present its Quarterly Activities Report for the period ended 31 December 2022.

Capital Raise

During the December Quarter, iTech raised a total of \$6.5 million, before costs, to fund exploration and resource drilling at the Campoona Graphite Project on the Eyre Peninsula in South Australia. The funds were raised by a combined placement and share purchase plan - \$4.5 million was raised through a placement to sophisticated and institutional investors. A further \$2 million was raised through a significantly oversubscribed share purchase plan with applications of more than \$8.8 million. As a result of the capital raise iTech has \$8.5 million cash and is well funded to complete the upcoming graphite drilling program on the Eyre Peninsula.

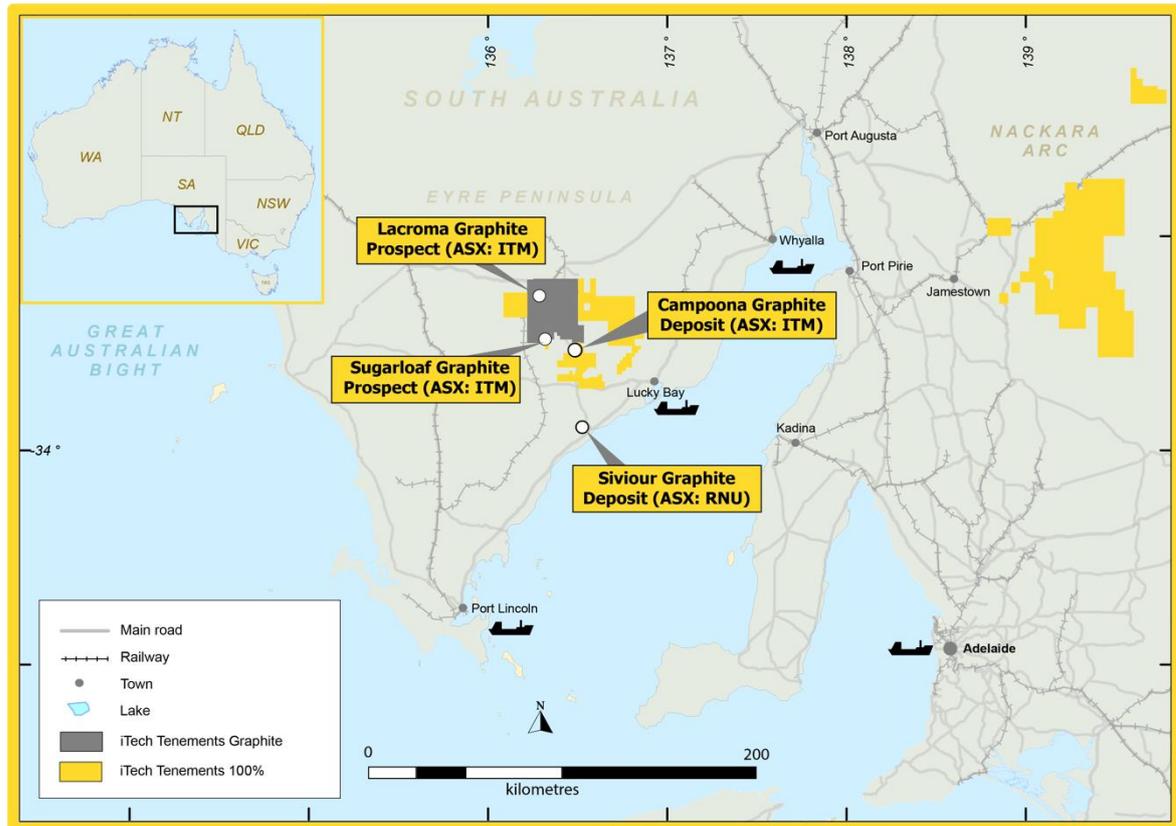
Sugarloaf Graphite Prospect Metallurgy

iTech is currently part way through a program of sighter metallurgical test work to determine if Sugarloaf graphite may be a suitable feedstock to produce battery anode material.

iTech has now determined that a previous interpretation of Sugarloaf mineralisation constituting a unique form of non-graphite carbon with high resistivity is not correct. The Company now believes that Sugarloaf is primarily conductive, crystalline flake graphite for the following reasons.

- All graphite analysis undertaken on drill core is done using an analytical technique that specifically targets only graphitic carbon, called total graphitic carbon (TGC). Hydrochloric acid (50%) is used first to leach any carbon present as carbonate minerals. The sample is then roasted at 420°C driving off any organic carbon. At this stage all residual carbon should be graphitic and is measured by induction furnace/infra-red. Therefore, all drill results at Sugarloaf are only reporting graphitic carbon and not non-graphitic carbon as suggested.

- It was also suggested that the carbon at Sugarloaf was resistive and not conductive. It can be shown from airborne electromagnetic surveys of the prospect that the graphitic horizons form a very conductive, shallow, sub-horizontal layer that coincide with high TGC values in drill core. This suggests that we are measuring only the conductive, crystalline, flake graphite component of the prospect.



o Figure 1. Location of iTech's Graphite Deposits and Prospects – Eyre Peninsula, South Australia

Petrological analysis of graphite bearing rocks from Sugarloaf confirm the presence of abundant fine crystalline graphite. With flake sizes in the range of 5 micron (μm) to 150 micron (μm). This has now been confirmed with XRD and SEM analysis. The Company is now designing a modified metallurgical test work program to determine if a) a high-grade concentrate with good recoveries can be achieved, and b) the concentrate can be spheronised and purified to produce a product suitable for use as a battery anode material.

Graphite Drilling Program

iTech is planning to drill test both the Lacroma Graphite Prospect and Sugarloaf Graphite Prospect commencing in January 2023. All required approvals have been obtained and all crops have been harvested, allowing us to start preparation for drilling on site. A suitable reverse circulation drill rig has been secured to undertake the program.

iTech has budgeted up to \$4.5 million to drill over 12,000m on the Eyre Peninsula graphite prospects. Each hole is expected to average 150m in depth.

The Company will commence this next phase of drill testing at Sugarloaf with exploration drilling of 2,000m to confirm the extent of graphite mineralisation and obtain further samples for metallurgical test work. Sample from Sugarloaf is currently undergoing metallurgical test work and the number of holes may be expanded if positive test results are received. This test work is preliminary in nature and is **not** aimed at producing a battery grade spherical product. The purpose of this test work is to determine what kind of processing will be required to produce a fine flake concentrate with suitable grade and recoveries. It is expected that further test work will be required after these results have been received.

The drill rig will then move to Lacroma and start at Lacroma West where graphite is known to outcrop above the conductivity anomaly. Several test holes will also be drilled into Lacroma East, which is expected to be deeper, to confirm the anomaly is caused by graphite and determine the depth to mineralisation. Most of the drilling will focus on Lacroma with 10,000m planned, where metallurgy has confirmed graphite mineralisation can produce a high-quality concentrate.

The combined program is expected to take up to 10 weeks to complete with assay results to follow.

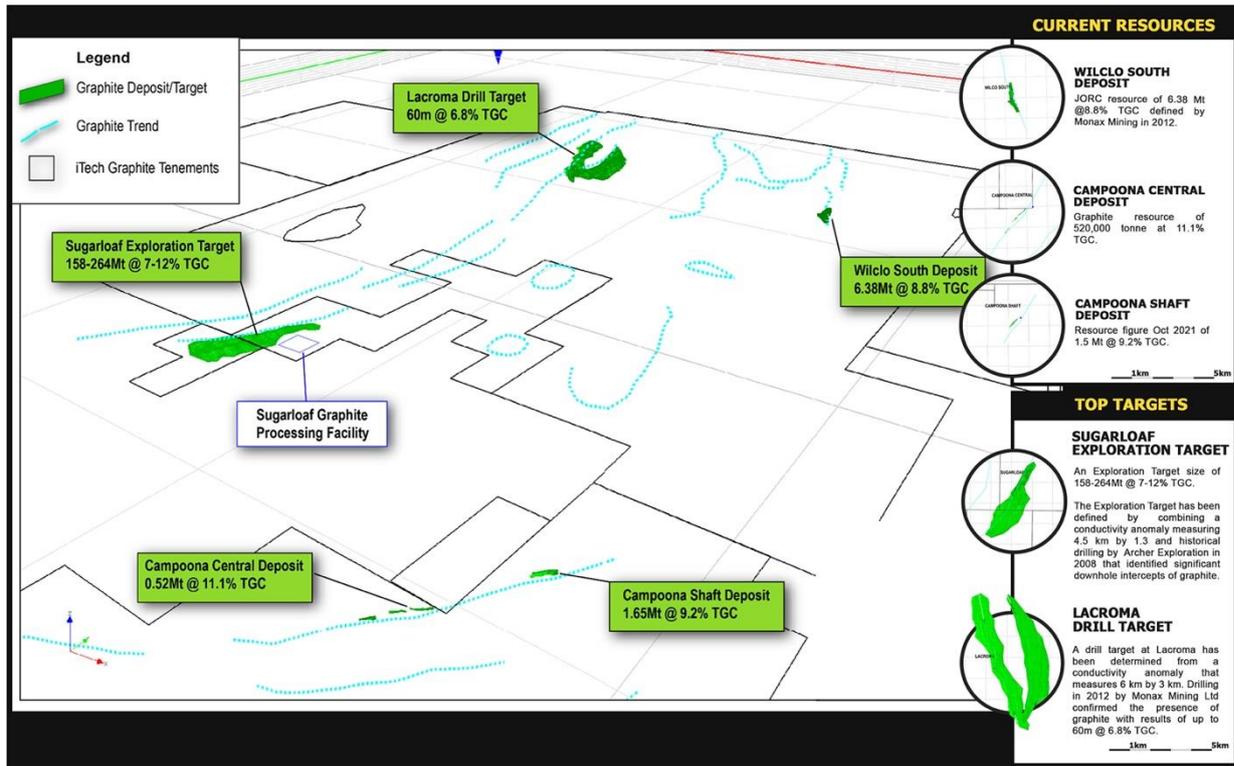


Figure 2. 3D view (looking NW) across the Campoona Graphite Project showing relative sizes of the drill targets and deposits.

Investors should be aware that the potential quantity and grade of the Exploration Target reported are conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.



Corporate

Attached to this report is the Company's Appendix 5B setting out iTech's cash flow statement for the quarter. The significant reportable outflows during the quarter include:

- \$850,000 spent in relation to exploration activities primarily related to the drilling programs at the Company's Eyre Peninsula projects; and
- \$85,000 in payments to related parties. These payments relate to payment of director fees to executive and non-executive directors.

At the end of the December 2022 quarter the Company had cash at bank of \$8.48 million following recent fund raising activities.

Pursuant to ASX listing rule 5.3.4, the Company advises the proposed use of funds contained in section 2.4 of iTech's Replacement Prospectus in comparison to the actual use of funds following admission to the official list of the ASX – reportable to the September 2023 quarter. The expenditure is materially in line with the IPO prospectus.

Use of funds	Prospectus use of funds (\$'000)	Actual (\$'000) to 31 Dec-22	Remaining balance (\$'000)
Funds raised (incl cash reserves)	7,651	7,651	-
Additional fund raising (net)	-	6,155	6,155
Cash movement from prospectus pro-forma (31 May 2021) to 30 June 2021	-	71	(71)
Lead manager	580	596	(16)
Expenses of the offer	354	332	22
Exploration	5,002	3,111	1,891
Corporate overheads, remuneration and other management expenses	1,301	1,093	208
Plant and equipment	30	126	(96)
Reserve	384	-	384
Total expenditure	7,651	5,329	2,322
Cash as at 31 December 2022			8,417

Additional net funds of \$6.15 million were raised in the December 2022 quarter with exploration expenditure projected to increase over coming quarters. The corporate expenditure is also expected to utilise the reserve and be in excess of the prospectus use of funds in line increased activities.



Tenement table

Tenement Number	Project Area	% Interest Held at end of quarter
South Australia		
EL 6363	Eyre Peninsula	100%
EL 6478	Eyre Peninsula	100%
EL 5870	Eyre Peninsula	100%
EL 5791	Eyre Peninsula	100%
EL 6647	Eyre Peninsula	100%
EL 5920	Eyre Peninsula	100% Graphite Rights
EL 6634	Eyre Peninsula	100% Graphite Rights
EL 5794	Nackara Arc	100%
EL 6000	Nackara Arc	100%
EL 6029 ¹	Nackara Arc	0%
EL 6160	Nackara Arc	100%
EL 6351	Nackara Arc	100%
EL 6354	Nackara Arc	100%
EL 6287	Nackara Arc	100%
EL 6637	Nackara Arc	100%
EL 6605	Nackara Arc	100%
EL 6616	Nackara Arc	100%
EL 6676	Nackara Arc	100%
EL 6609	Billa Kalina	100%
EL 6732	Pidinga	100%
ML 6470	Campoona Graphite	100%
MPL 150	Campoona Graphite	100%
MPL 151	Campoona Graphite	100%
New South Wales		
EPM 8871	Crowie Creek	100%
EPM 8894 ²	Stanthorpe	0%

There have been no changes to tenements during the quarter other than those disclosed below.

¹ EL 6029 was not renewed in October 2022.

² EPM 8894 was sold in October 2022 – as disclosed in the 2022 Annual Report.



Mineral Resource Table

Area	Resource Category	Tonnes (Mt)	Graphitic Carbon %	Contained Graphite (t)
Campoona Shaft	Measured	0.32	12.7	40,600
	Indicated	0.78	8.2	64,000
	Inferred	0.55	8.5	46,800
Central Campoona	Indicated	0.22	12.3	27,100
	Inferred	0.30	10.3	30,900
Wilclo South	Inferred	6.38	8.8	561,400
Combined	Measured	0.32	12.7	40,600
	Indicated	1.00	9.1	91,100
	Inferred	7.23	8.8	639,100
Combined	Total Resource	8.55	9.0	770,800

For further information please contact the authorising officer Michael Schwarz:

Michael Schwarz, FAusIMM, AIG
 Managing Director
 E: mschwarz@itechminerals.com.au
 Ph: +61 2 5850 0000
 W: www.itechminerals.com.au



ABOUT iTECH MINERALS LTD

iTech Minerals Ltd is a newly listed mineral exploration company exploring for and developing battery materials and critical minerals within its 100% owned Australian projects. The company is advancing the Campoona Graphite Project in South Australia. The company also has extensive exploration tenure prospective for clay hosted REE mineralisation, Cu-Au porphyry mineralisation, IOCG mineralisation and gold mineralisation in South Australia and tin, Tungsten, and polymetallic Cobar style mineralisation in New South Wales.

COMPETENT PERSON STATEMENT

The information which relates to exploration results is based on and fairly represents information and supporting documentation compiled by Michael Schwarz. Mr Schwarz has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking, 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' (the JORC Code). Mr Schwarz is a full-time employee of iTech Minerals Ltd and is a member of the Australian Institute of Geoscientists and the Australian Institute of Mining and Metallurgy. Mr Schwarz consents to the inclusion of the information in this report in the form and context in which it appears.

This announcement contains results that have previously released as "Sugarloaf Graphite Exploration Target, Eyre Peninsula" on 19 October 2022, "Drilling Approvals Received for Graphite Projects" on 30 November 2022 and "Sugarloaf Graphite Metallurgy Update" on 16 December 2022.

GLOSSARY

AEM = Airborne Electromagnetic
PSG = Purified Spherical Graphite
TGC = Total Graphitic Carbon



Appendix 5B

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

Name of entity

iTech Minerals Ltd

ABN

41 648 219 050

Quarter ended ("current quarter")

31 December 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(72)	(138)
(e) administration and corporate costs	(174)	(371)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	11	13
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(235)	(496)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(10)	(15)
(d) exploration & evaluation	(850)	(1,731)
(e) investments	-	-
(f) other non-current assets	-	-

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(860)	(1,746)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	6,500	6,500
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	(345)	(345)
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	6,155	6,155
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,417	4,564
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(235)	(496)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(860)	(1,746)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	6,155	6,155

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	-	-
4.6	Cash and cash equivalents at end of period	8,477	8,477

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	1,377	362
5.2	Call deposits	7,100	3,055
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)	8,477	3,417

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	43
6.2	Aggregate amount of payments to related parties and their associates included in item 2	42

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.

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

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<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 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)	(235)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(850)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(1,085)
8.4 Cash and cash equivalents at quarter end (item 4.6)	8,477
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	8,477
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	7.8
<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	

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

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: 17 January 2023

Authorised by: By the board
(Name of body or officer authorising release – see note 4)

Notes

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