

QUARTERLY ACTIVITIES REPORT

For the period ended 31 March 2024



24 April 2024

Activities Report for the Quarter Ended 31 March 2024

HIGHLIGHTS

Yarawindah Brook Project

- Two new conductors identified in Moving Loop Electromagnetic survey
- Both conductors located on an important sedimentary-mafic/ultramafic contact, a common stratigraphic position for magmatic sulphide deposits
- Coincident with near-surface Ni-Cu-PGE mineralisation from historical drilling
- Geological setting and historical drilling results provides confidence in a likely mineralised magmatic sulphide source
- Continuing to recognise new opportunities for high-grade nickel, copper and PGEs, as well as lithium, across the Yarawindah Brook Project

Mount Squires Project

- Agreement executed with Australian Strategic Materials Ltd to evaluate economic potential of Rare Earth Element (REE) potential
- Caspin to retain a 25% free carried interest to decision to mine in the Mount Squires REE project and to receive milestone payments of up to A\$1.5m
- REE metallurgical test work and drilling to be undertaken by ASM at Mount Squires over the next 3-9 months, to progressively earn up to 75% interest in the REE rights
- Allows Caspin to maintain exposure to the Mount Squires REE potential with no funding obligations and leverage ASM's considerable REE expertise
- Caspin retains 100% ownership of tenements and rights to all other metals and will maintain its focus on nickel, copper and gold. 2024 field planning underway

Caspin Resources Limited (ASX: CPN) ("Caspin" or the "Company") is pleased to report on corporate and exploration activities during the March 2024 Quarter.

Yarawindah Brook Project (80%)

Brassica Magmatic Intrusive Target

The Company recently completed a moving loop electromagnetic (MLEM) survey at the Brassica Prospect. The survey covered an area of 5km², comprising 454 stations, across a large (up to 5.6 x 1.2km) Ni-Cu-PGE mineralised (Gonneville-Yarabrook type) mafic-ultramafic intrusive complex along the stratigraphic extension of rocks hosting Chalice Mining's Gonneville Deposit.

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Two new prospective EM conductors

The Company is encouraged by the discovery of two new conductors (Figures 1 & 2), with supporting datasets in a compelling geological setting, indicating good potential for the conductors to be related to a mineralised magmatic sulphide source.

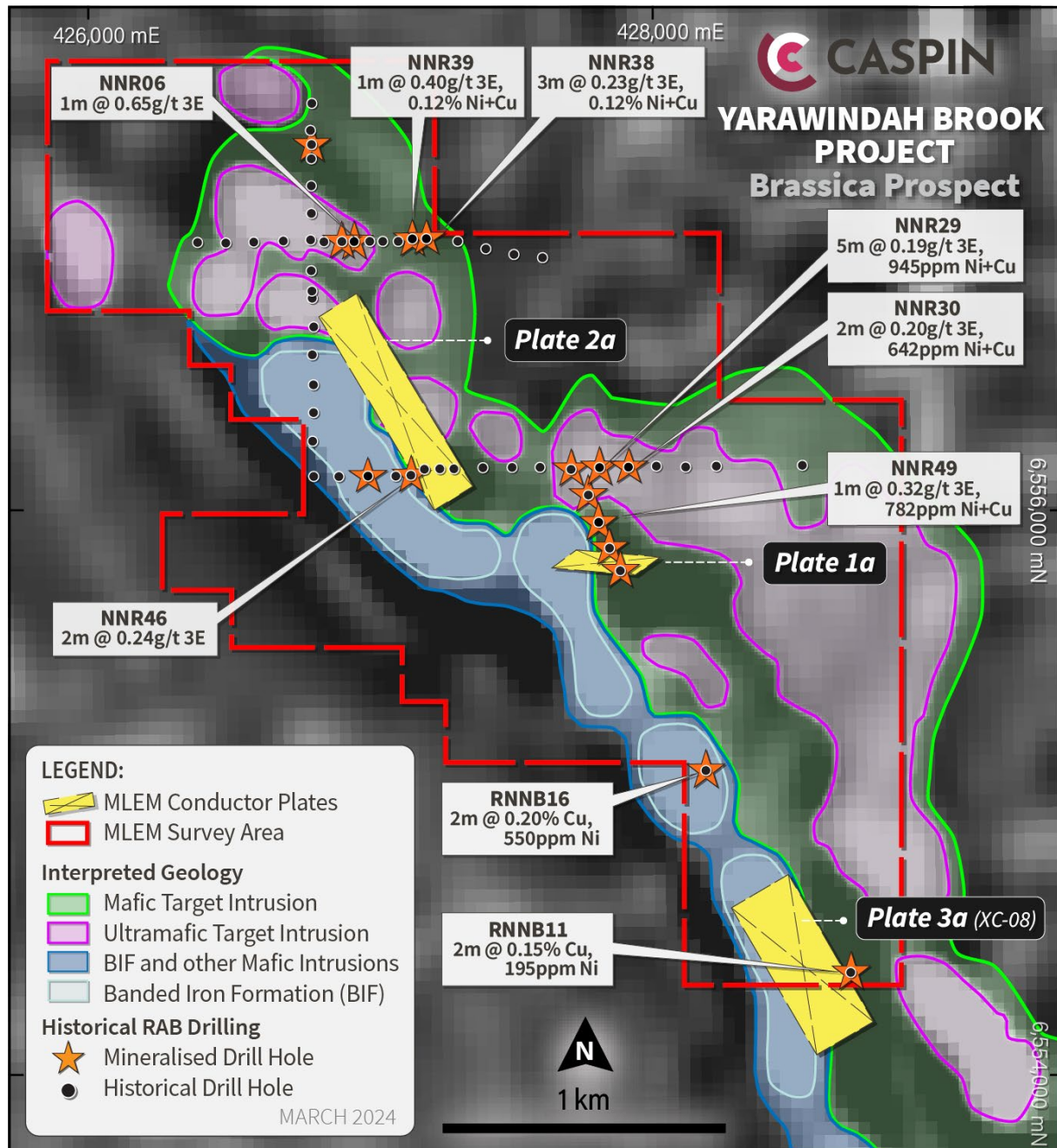


Figure 1. Brassica Prospect MLEM conductors, geology and mineralised intercepts.

Key points:

- The two conductors are large with dimensions of 320m x 225m and 800m x 160m at depths of between 250m to 300m. The conductance is typical of sulphide bodies in the region.
- Geological interpretation of geophysical data, supported by field mapping, suggests the conductors are aligned with the stratigraphy and lie on the contact between sedimentary and mafic/ultramafic rocks. Sulphide bodies at these contacts could represent primary ‘basal’ sulphide accumulations or secondary sulphide bodies concentrated in faults or shear zones.

- Shallow drilling above the conductors has returned highly anomalous Ni-Cu-PGE results (peak values of 0.12% Ni+Cu, 0.65g/t 3E) in a clearly highly leached environment. Please refer to Caspin's ASX announcement of 24 January 2024 for further details of the drilling results.

A third conductor is recognised at the south end of the Brassica Prospect, which correlates to the XC-08 AEM anomaly. This conductor lies in metasedimentary rocks and probably represents a non-mineralised, stratigraphic sulphide body.

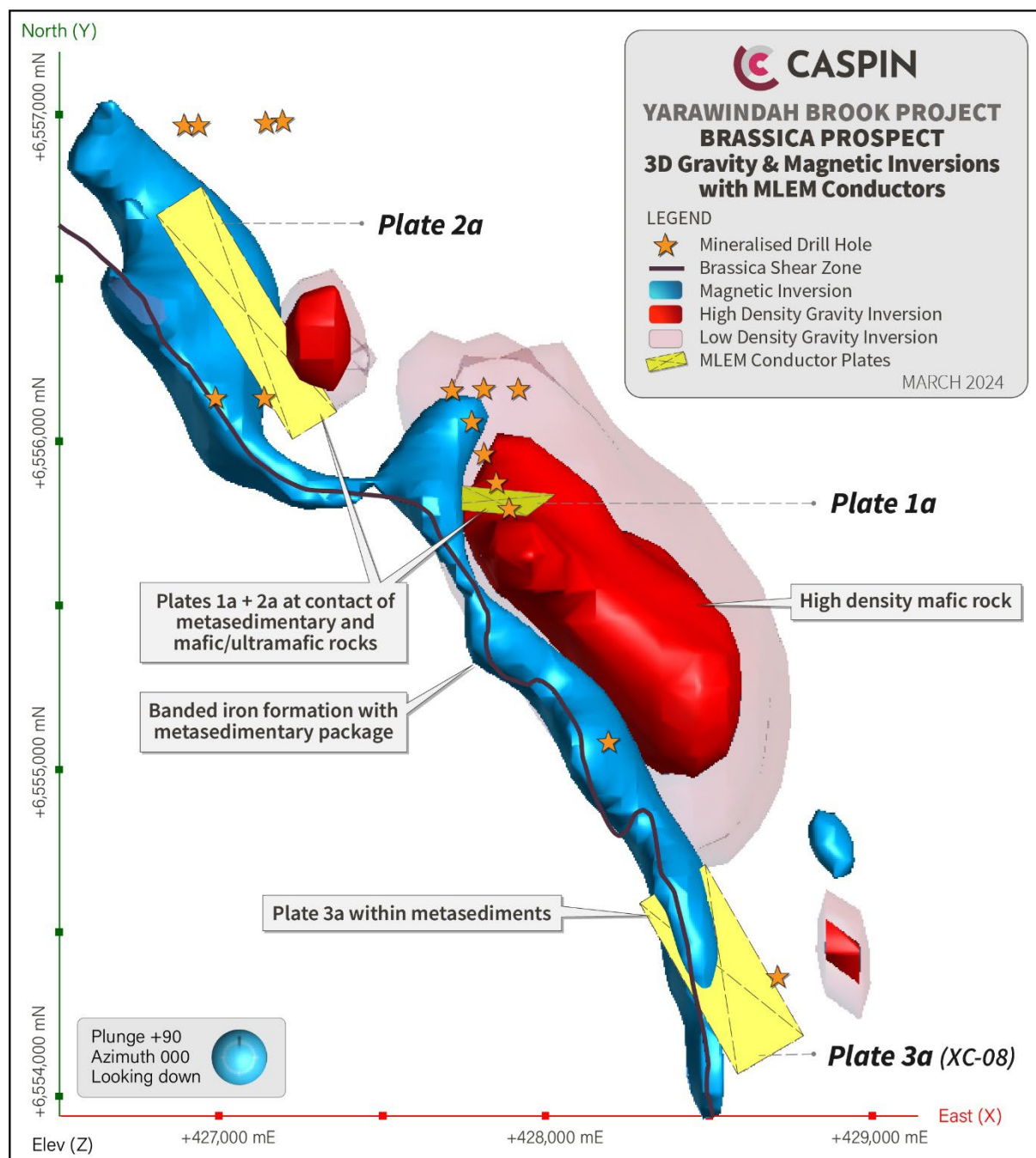


Figure 2. 3D inversion of magnetics and gravity with MLEM conductors.

With the exception of the XC-08 anomaly, the new MLEM conductors do not appear to have been detected by the 2020 airborne electromagnetic (AEM) survey, suggesting limited depth penetration of the airborne system. The AEM system has been proven to reliably detect near surface conductors but may have limited effectiveness beyond the weathered zone and probably not beyond 100m.

This demonstrates the importance of ground electromagnetic testing supported by multiple, complementary datasets in exploration models and targets.

Brassica Prospect Targeting Background

The Brassica Shear Zone (BSZ) is interpreted as a long-lived mantle tapping structure which is interpreted to span some 100km, directly linking the Brassica prospect with Gonneville and other Chalice regional targets (Hooley, Dampier, Baudin, Jansz, Torres and Flinders prospects; see Figure 3). Chalice have confirmed mineralised Gonneville like intrusions through drilling across approximately 13km of this strike, with exploration access further along strike slowed by the restricted Bindoon Military Training Area. Regional gravity imagery strongly suggests a common source of mantle derived melt between Brassica and Gonneville.

Caspin has previously drilled holes (YAD014-YAD016, XC-29 AEM anomaly, west of the Elongata Prospect) targeting electromagnetic conductors along the broader BSZ trend. However, the Company now recognises that these anomalies were situated within an unfavourable portion of the stratigraphy (directly on top of the shear zone) which is dominated by Banded Iron Formation (BIF) and other mafic-ultramafic intrusions which are distinct from the prospective Yarabrook-Gonneville suite.

The newly identified target area sits to the east of the BSZ, which is interpreted as the same stratigraphic and structural position of Gonneville (Figure 4; Note that the regional dip is interpreted to reverse between Gonneville and Brassica).

Next Steps

The MLEM survey, assisted by our new geological interpretation, has recognised two conductors with good prospectivity for hosting Ni-Cu-PGE mineralised sulphides, easily the most compelling targets along the BSZ identified to date. The Company has applied for WA government EIS co-funded assistance to test these targets, with the current funding round expected to be announced towards the end of April. The Company will then evaluate the timing of drill testing. In the meantime, drill planning and environmental permitting is underway.

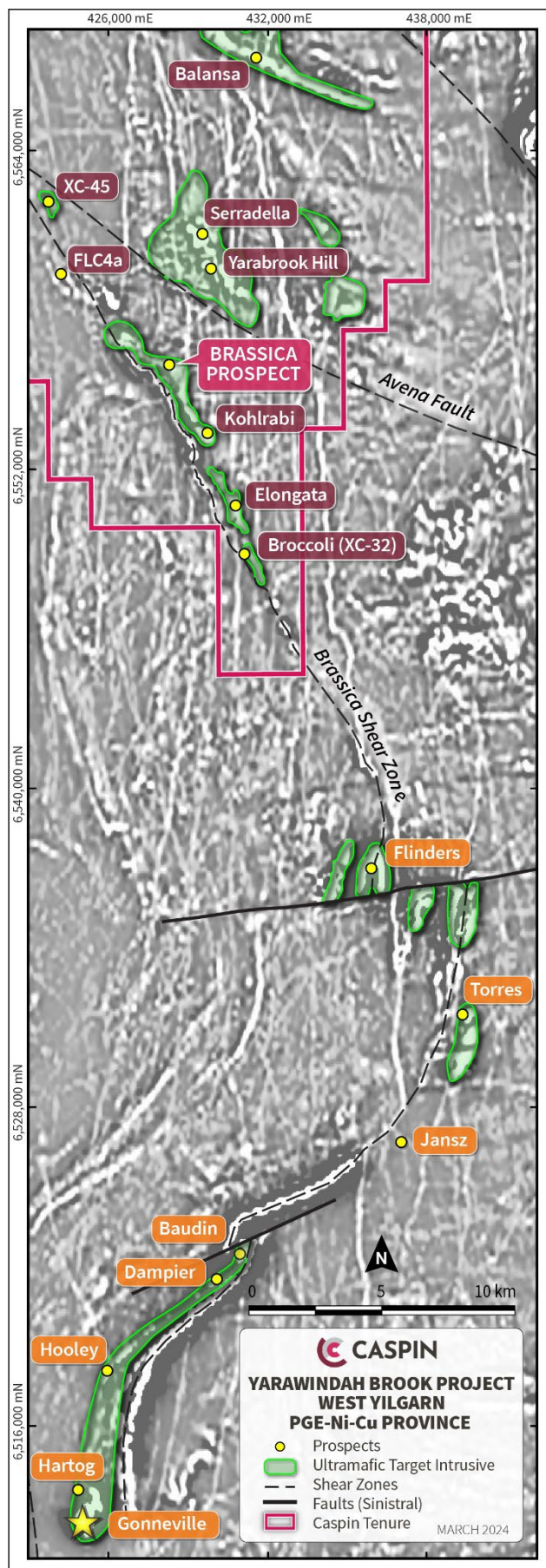


Figure 3. Regional geological setting.

Mount Squires Project (100%)

Agreement with Australian Strategic Materials to evaluate REE potential

Caspin has announced the execution of an option agreement (Agreement) with Australian Strategic Materials Limited (ASM) to enter a Joint Venture where Caspin will farmout and retain a 25% free carry (up to a decision to mine) of the Rare Earth Element (REE) rights on the Mount Squires Project.

Caspin announced the first discovery of significant REE mineralisation in the West Musgrave Province in May 2023, described as a hydrothermal volcanic-style with a significant proportion of high-value heavy rare earths. The Company has steadily advanced its understanding of REE mineralisation and recognised the potential for further discoveries at the Project. The Agreement with ASM is consistent with Caspin's focus on the nickel, copper and gold potential at Mount Squires whilst retaining exposure to the REE potential to be funded by a dedicated and credible REE group.

Key Agreement Terms

- (a) **Staged Option:** Subject to meeting the following conditions, ASM will have the exclusive option to enter into a joint venture agreement with Caspin to earn up to 75% of the REE rights in the Mount Squires Project (Option):
 - (i) **Initial Option Period:** A period of 3 months during which ASM will undertake and fully fund metallurgical test work on existing samples from the Mount Squires Project.
 - (ii) **Extended Option Period:** Subject to completion of the Initial Option Period, a period of 6 months during which ASM will fully fund drilling to produce samples which will be subject to further metallurgical test work, to a minimum amount of A\$250,000. A further 2 month exclusivity will be then be provided to ASM to negotiate and finalise a joint venture agreement.
 - (iii) **Option Exclusivity Period:** Subject to completion of both the Initial Option Period and Extended Option Period, a further 2 months to allow the parties to negotiate and finalise a joint venture agreement.
- (b) **Joint Venture Agreement:** The joint venture agreement will provide for ASM to earn up to 75% interest in the REE rights of the Mount Squires Project. The joint venture agreement is to be negotiated by the parties but will be based on the following terms:
 - (i) Staged earn in:
 - A. **Stage 1:** 24 months during which ASM will spend \$1.5 million to earn 51% interest in the REE rights in the Mount Squires Project. During this stage Caspin will operate the joint venture. At the Completion of Stage 1 ASM will issue Caspin with ASM shares to a value of \$500,000 (based on ASM's 20-day VWAP at the time of issue).
 - B. **Stage 2:** 3 years during which ASM will spend \$2 million to earn a further 24% interest in the REE rights in the Mount Squires Project. During this stage ASM would operate the joint venture. At the Completion of Stage 2 ASM will issue Caspin with ASM shares to a value of \$1,000,000 (based on ASM's 20-day VWAP at the time of issue).
 - (ii) Caspin to be free carried to a decision to mine with contribution and dilution provisions typical for an agreement of this nature.
 - (iii) An area of influence surrounding the project would facilitate additional prospective tenements to be included in the joint venture.
- (c) **Termination:** ASM may only terminate the Agreement after the Initial Option Period.

Work Program

Detailed metallurgical test work will commence immediately on samples collected from the 2023 drill program at Duchess and supervised by ASM. Planning is also underway for a follow-up program in the second half of the year to collect further samples for testing as well as testing the extent of mineralisation which remains open in many directions.

Meanwhile the Company continues to evaluate opportunities on nickel, copper and gold, which it retains 100%.

Corporate

Cashflow for the Quarter

Attached to this report is the Appendix 5B containing Company's cashflow statement for the March 2024 quarter. The cash outflows for the Quarter included \$375,000 incurred on exploration and evaluation expenditure, which was primarily associated with the costs relating to geophysical survey activities at Yarawindah Brook and annual land payments at Mount Squires. There were \$193,000 of administration and corporate costs paid during the Quarter, and as disclosed on section 6 of Appendix 5B, \$57,000 payments were made to related parties, including the Directors and their associates pursuant to existing director fee agreements for Executive and Non-Executive Directors, and additional geological consulting services provided by Non-Executive Director Jon Hronsky.

As at 31 March 2024, the Company had available cash of approximately A\$1.62 million and no debt.

Outlook

The March Quarter has seen significant advancement at both projects that will shape the activities of the Company for the immediate future. We're excited about the two very compelling targets that are emerging at the Brassica Prospect, following completion of the moving loop EM survey. The nickel market has stabilised over the past three months, although sentiment remains fragile. The Company is taking a cautious approach to its nickel-copper-PGE exploration, balancing the difficult market environment with the clear, but speculative, opportunities for discovery, which drives so much wealth creation in our industry. In this context we are grateful for the opportunity to participate in the West Australian governments co-funded drilling program and have made an application to assist drilling these new targets, reducing the risk exposure of the Company.

The other significant advancement is our collaboration with ASM to evaluate the REE potential of the Mount Squires Project. We believe that a partnership with a specialist REE company is the only pathway for junior explorers to advance a greenfield REE project. ASM brings a wealth of knowledge on REE processing and market intelligence, complementing Caspin's expertise in exploration and development, which together could unlock the REE potential of the Mount Squires Project and perhaps the entire West Musgrave Province. Caspin's shareholders retain exposure to the forecast increased REE demand with reduced exposure to downside risk. We look forward to the results of upcoming metallurgical test work and if successful, further drill testing and metallurgical work in the second half of the year. The Company will likely combine this program with further exploration of nickel, copper and gold, in which it retains the full rights.

Compliance

For the purpose of Listing Rule 5.3.1, details of the Company's group exploration activities for the quarter, including any material developments or material changes in those activities, and a summary of the expenditure incurred on those activities is set out in the relevant sections above.

For the purpose of Listing Rule 5.3.2, the Company confirms that there were no mining production and development activities during the quarter by the Company or its subsidiaries.

Tenement Summary

The following information is provided pursuant to Listing Rule 5.3.3 for the quarter ended 31 March 2024. The Company and its subsidiaries did not enter into any new farm-in or farm-out agreements during the quarter.

MINING TENEMENTS HELD				
Tenement Reference	Location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
Mt Squires Project				
E69/3424	WA	Granted	100%	100%
E69/3425	WA	Granted	100%	100%
Yarawindah Brook Project				
E70/4883	WA	Granted	80%	80%
E70/5116	WA	Granted	80%	80%
E70/5166	WA	Granted	80%	80%
E70/5330	WA	Granted	80%	80%
E70/5335	WA	Granted	80%	80%
E70/5374	WA	Granted	80%	80%
E70/6543	WA	Granted	80%	80%
E70/6544	WA	Granted	80%	80%
E70/6568	WA	Granted	0%	80%

In addition, the Company's group has applied for the following exploration licence applications, which remain ungranted:

MINING TENEMENTS				
Tenement Reference	Location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
Mt Squires Project				
E69/4183	WA	Application	0%	0%
E69/4184	WA	Application	0%	0%
E69/4189	WA	Application	0%	0%
Ungrouped				
E70/6556	WA	Application	0%	0%
E70/6612	WA	Application	0%	0%
E70/6613	WA	Application	0%	0%
E70/6614	WA	Application	0%	0%
E70/6615	WA	Application	0%	0%
E70/6617	WA	Application	0%	0%
E77/3206	WA	Application	0%	0%
E77/3207	WA	Application	0%	0%
E77/3208	WA	Application	0%	0%

During the quarter, tenements E69/4159, E69/4160, E70/6575 and E77/3189 were withdrawn.

This announcement is authorised for release by the Board of Caspin Resources Limited.

-ENDS-

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Managing Director

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Tel: +61 8 6373 2000

ABOUT CASPIN

Caspin Resources Limited (ASX Code: **CPN**) is a mineral exploration company based in Perth, Western Australia. Caspin has extensive skills and experience in early-stage exploration and development. The Company is actively exploring the Yarawindah Brook Project in Australia's exciting new PGE-Ni-Cu West Yilgarn province and the Mount Squires Project in the West Musgrave region, one of Australia's last mineral exploration frontiers.

At the Company's flagship Yarawindah Brook Project, recent drilling campaigns at Yarabrook Hill have made new discoveries of PGE, nickel and copper sulphide mineralisation. Meanwhile, the Company continues to bring new targets to drill readiness by collecting geophysical and geochemical data across the project.

At the Mount Squires Project, Caspin has identified a 40+km structural corridor with significant gold mineralisation as well as a 17km extension of the West Musgrave Ni-Cu corridor which hosts the One Tree Hill Prospect and Nebo-Babel Deposits along strike. The Company is conducting further soil sampling, geophysics and reconnaissance drilling along both mineralisation trends.

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Twitter: <https://twitter.com/CaspinRes>

Competent Persons Statement

The information in this report that relates to Exploration Results is based on information compiled or reviewed by Mr Greg Miles, who is an employee of the company. Mr Miles is a Member of the Australian Institute of Geoscientists and has sufficient experience of relevance to the styles of mineralisation and the types of deposits under consideration, and to the activities undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Miles consents to the inclusion in this report of the matters based on information in the form and context in which it appears.

The Company confirms that it is not aware of any new information or data that materially affects the Exploration Results information included in this report from previous Company announcements (including drill results extracted from the Company's Prospectus) announced to the ASX on 13 February 2023, 14 February 2023, 14 March 2023, 21 March 2023, 4 May 2023, 23 May 2023, 6 June 2023, 12 July 2023, 21 August 2023, 13 September, 17 October 2023, 24 January 2024, 26 March 2024 and 10 April 2024.

Forward Looking Statements

Some statements in this announcement regarding estimates or future events are forward-looking statements. Forward-looking statements include, but are not limited to, statements preceded by words such as “planned”, “expected”, “projected”, “estimated”, “may”, “scheduled”, “intends”, “anticipates”, “believes”, “potential”, “could”, “nominal”, “conceptual” and similar expressions. Forward-looking statements, opinions and estimates included in this announcement are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Statements regarding plans with respect to the Company’s mineral properties may also contain forward looking statements.

Forward-looking statements are provided as a general guide only and should not be relied on as a guarantee of future performance. Forward-looking statements may be affected by a range of variables that could cause actual results to differ from estimated results expressed or implied by such forward-looking statements. These risks and uncertainties include but are not limited to liabilities inherent in exploration and development activities, geological, mining, processing and technical problems, the inability to obtain exploration and mine licenses, permits and other regulatory approvals required in connection with operations, competition for among other things, capital, undeveloped lands and skilled personnel; incorrect assessments of prospectivity and the value of acquisitions; the inability to identify further mineralisation at the Company’s tenements, changes in commodity prices and exchange rates; currency and interest rate fluctuations; various events which could disrupt exploration and development activities, operations and/or the transportation of mineral products, including labour stoppages and severe weather conditions; the demand for and availability of transportation services; the ability to secure adequate financing and management's ability to anticipate and manage the foregoing factors and risks and various other risks. There can be no assurance that forward-looking statements will prove to be correct.

Appendix 5B

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

Name of entity

Caspin Resources Limited

ABN

33 641 813 587

Quarter ended ("current quarter")

31 March 2024

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(375)	(1,757)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(106)	(402)
	(e) administration and corporate costs	(193)	(622)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	7	29
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	114
1.8	Other (GST Paid)	-	-
1.9	Net cash from / (used in) operating activities	(667)	(2,638)
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 (9 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	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	100
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	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other – Lease payments	(35)	(98)
3.10	Net cash from / (used in) financing activities	(35)	2

4.	Net increase / (decrease) in cash and cash equivalents for the period	Current quarter \$A'000	Year to date (9 months) \$A'000
4.1	Cash and cash equivalents at beginning of period	2,321	4,255
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(667)	(2,638)
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)	(35)	2

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,619	1,619

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	1,490	2,192
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other – Term Deposits	129	129
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,619	2,321

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	56
6.2	Aggregate amount of payments to related parties and their associates included in item 2	1
<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>		

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

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	N/A	N/A
7.2	Credit standby arrangements	N/A	N/A
7.3	Other (please specify)	N/A	N/A
7.4	Total financing facilities	Nil	Nil
7.5	Unused financing facilities available at quarter end	Nil	
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)	(667)
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)	(667)
8.4	Cash and cash equivalents at quarter end (item 4.6)	1,619
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	1,619
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	2.43
<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?	
	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?	
	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?	
	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: 24 April 2024

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.