

Quarterly Activities Report – September 2022

Highlights:

- Comet to acquire 100% of Mount Margaret Copper Project from Glencore under improved transaction terms
- Company will now raise \$27m to fund acquisition and initial post-acquisition pre-development activities – Equity component of the raise is now reduced due to addition of debt financing (see below)
- Equity raise includes a \$5m priority offer to existing Comet shareholders
- Glencore now to provide 3-year loan of \$27m to Comet – Inclusion of the loan delivers Comet shareholders substantially reduced up front dilution
- Mount Margaret is located only 7km from key processing infrastructure at Ernest Henry, where Mount Margaret ore was previously processed into export quality copper concentrate
- JORC open-pit Resources of 13.0Mt at 0.78% copper and 0.24g/t gold with >95% in the Measured and Indicated categories¹
- Near-term production potential – 2 open pits already pre-stripped
- Significant potential for Resource growth through further exploration
- Defined high priority exploration targets – Both extensional and regional
- Drilling permit has now been issued for the Barraba Copper Project by NSW Resources Regulator
- A 7-hole diamond drilling program at Barraba is planned to test lodes in the vicinity of the historical Gulf Creek Mine

Post Quarter End:

- EGM scheduled to approve the Mount Margaret Copper Project acquisition to be held on 10 November 2022.

Comet Resources Limited (**Comet** or the **Company**) (**ASX:CRL**), is pleased provide the Quarterly Activities Report and Appendix 5B for the quarter ending 30 September 2022 (the **Quarter**).

Matthew O’Kane, Managing Director of Comet Resources, commented ***“During the quarter we announced the receipt of the final permits to commence drilling at Barraba, and we also announced the restructure of the transaction to acquire the Mount Margaret Copper Project from Glencore, with significant changes being made to the deal which enhance the transaction structure for Comet shareholders while still meeting the requirements of Glencore. We are now working to close the equity financing for the acquisition of Mount Margaret, which also includes financing to allow us to commence a drilling program at Barraba.”***

¹ Please see Table 2 for a complete composition of the Measured, Indicated and Inferred resources details

Mount Margaret Copper Project:**ACQUISITION OVERVIEW**

Comet announced on 16 September 2022 that it had entered into an amended and restated share sale agreement (**MTM Acquisition Agreement**) with Minerals Mining and Metallurgy Limited (ACN 645 972 309) (**MMM**), Mount Isa Mines Limited (ACN 009 661 447) (**MIM**) and Mount Margaret Mining Pty Ltd (ACN 150 366 224) (**MTM**) pursuant to which MIM has agreed to sell, and MMM has agreed to buy, 100% of the issued capital in MTM (**MTM Shares**). MTM is the owner of the Mount Margaret Copper Project. Neither MMM, MIM or MTM are related parties of the Company.

The consideration for the acquisition of the MTM Shares is:

- (i) a non-refundable payment by MMM of \$5,000,000 to MIM (paid on 18 February 2022);
- (ii) on completion, the issue by Comet (such issue to be procured by MMM) of 25,000,000 fully paid ordinary shares in the capital of Comet (**Shares**) to MIM (or its nominee) (at an aggregate deemed issue price for those Shares of \$0.20 per Share, equal to an amount of \$5,000,000;
- (iii) on completion, the issue by Comet (such issue to be procured by MMM) of 10,000,000 options exercisable at \$0.30 per option on or before the date which is 5 years from issue; and
- (iv) a 2% net smelter return royalty from the sale of any copper, gold or silver extracted, produced and sold from the Mount Margaret Project for the life of the mine.

At completion of the Acquisition, MIM has agreed to make a loan available to MMM in the amount of A\$27,000,000 (the **Loan**) for the sole purpose of MMM using these funds to replace the Environmental Bond at completion. The difference between the current Environmental Bond liability of A\$32,341,120 and the Loan amount will be funded by Comet from the proceeds of its capital raising. The addition of the Loan improves the transaction structure by reducing the size of the equity raise required to complete the Acquisition, thereby reducing up-front dilution to shareholders, and allows the Company time to advance and de-risk the project before further equity is raised. Options for re-payment of the Loan at maturity include future equity raises, repayment via alternative debt financing or cash flows from operations should the Company return the Mount Margaret Copper Project to production, or a combination thereof. A decision will be made on the method of repayment of the Loan in the future.

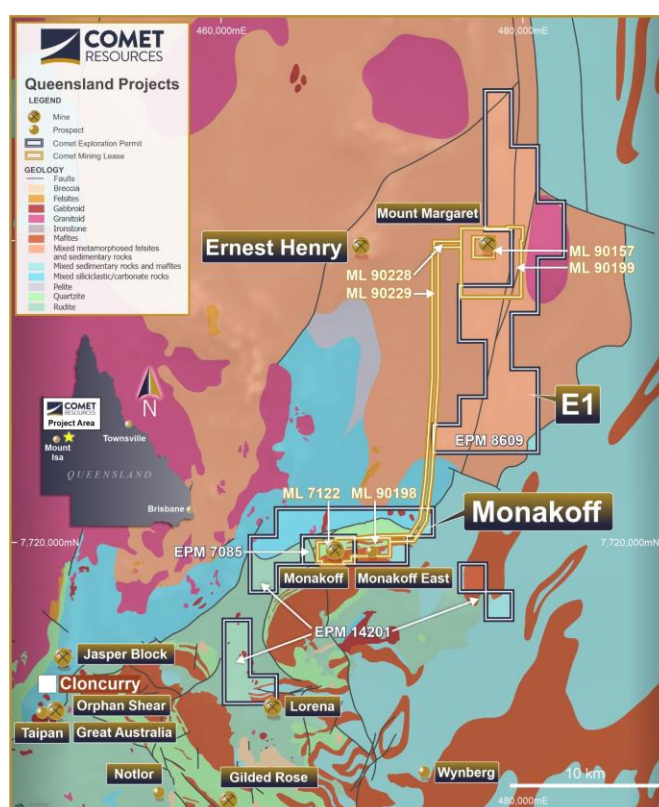
The Loan will have the following material terms:

- (i) **Term:** the Loan must be repaid on the date that is 36 months from the date the Loan is advanced to MMM (or earlier at MMM's election);
- (ii) **Interest:** interest on the Loan will accrue at a rate of the bank bill swap rate (BBSW) BBSW + 900 basis points per annum, payable quarterly in arrears;
- (iii) **Security:** the Loan (and interest) will be secured by a first-ranking general security deed over the assets of MMM and Comet;
- (iv) **Bond Increases:** during the term of the Loan, MMM will meet any increases in the Environmental Bond imposed by the Queensland Government; and
- (v) **Oversight by MIM:** During the term of the Loan, MMM will provide MIM with access to such information, as it may reasonably require, in order to monitor MTM's exploration activities on the Mount Margaret Copper Project.

In addition to the Environmental Bond, the Mount Margaret Copper Project is also the subject of a Deed of Arrangement for Offset Transfer between the State of Queensland and MTM (**Offset Deed**) which relates to requirements under the “Queensland Biodiversity Offset Policy”. Pursuant to the Offset Deed, MTM has provided financial security to the State of Queensland in the form of an unconditional bank guarantee for the amount of \$1,983,000 (**Offset Surety**). The Offset Surety will also need to be replaced as part of the Acquisition and \$2,000,000 raised under the Capital Raising will be allocated towards this.

Mount Margaret is located 7km from key infrastructure at the Ernest Henry Copper-Gold Mine which was sold in November 2021 to Evolution Mining Ltd (ASX: EVN) for \$1 billion.² Comet will acquire 100% of MMM and MTM (the owner of the Mount Margaret Copper Project) in exchange for the issuance of 98,550,000 Shares at a deemed issue price of \$0.20 per Shares (on a post-Consolidation basis, details of which are set out below), resulting in an acquisition value of \$19.71 million.

Mt Margaret represents both potential near-term copper production and regional exploration upside. It comprises nine (9) mining, infrastructure and regional exploration tenements hosting known iron oxide copper gold (**IOCG**) style deposits including JORC Measured, Indicated and Inferred Mineral Resources of 13.0Mt at 0.78% copper and 0.24g/t gold (please see Table 2 for a complete composition of the Measured, Indicated and Inferred resources details).



Map 1: Location of the Mount Margaret Copper Project

² Refer to announcement of Evolution Mining Ltd (ASX:EVN) dated 17 November 2021.

Over 95% of the Resource is within the Measured and Indicated category (please see Table 2 for a complete composition of the Measured, Indicated and Inferred resources details). Open-pit mining took place at the Mount Margaret Copper Project for approximately two years until production was suspended in 2014 due to copper market conditions and outlook at the time. At the time of suspension, two additional open-pits had been pre-stripped covering the majority of the currently defined Resource. Mt Margaret has great potential for optimisation of its open-pit mining plans for prevailing market prices for consideration of a low capital expenditure restart of mining. Extensive geological and geophysical data sets also come with the Mount Margaret Copper Project and the Company intends on utilising these to generate drilling targets for resource extension and regional exploration.

The Company has appointed Peloton Capital Pty Ltd (ACN 149 540 018) (**Peloton Capital**) and Jett Capital Advisors, LLC (**Jett Capital**) to act as joint lead managers to the capital raising to fund the Acquisition and the Company's further exploration and pre-development activities. The capital raising will comprise a raising of \$27 million at an issue price of \$0.20 per Share (on a post-Consolidation basis) by way of a full form prospectus (**Prospectus**). The raising will be comprised of a priority offer to existing Comet shareholders of \$5 million (**Priority Offer**) plus a public offer of \$22 million (**Public Offer**) (together, the **Capital Raising**). The use of these funds will be used to satisfy the balance of the environmental bond requirements for the Mount Margaret Copper Project, the replacement of the Offset Surety, plus exploration and development costs, interest costs on the loan and working capital. Full use of proceeds is provided later in this release.

Comet will undertake re-compliance with Chapters 1 and 2 of the ASX Listing Rules and, in doing so, will subject to shareholder approval, undertake a consolidation of its issued capital on a ten (10) to one (1) basis (**Consolidation**). The Acquisition will amount to a significant change in the scale of the Company's current activities and, as such, the Company will be required to obtain approval from its shareholders (**Shareholders**) for the Acquisition (see Annexure E for further details).

MT MARGARET COPPER PROJECT

Mt Margaret consists of a total of six (6) mining and infrastructure licences covering 3,412ha and three (3) exploration tenements covering 46 sub-blocks as detailed in Table 1 (below). The Mount Margaret Copper Project consists of two (2) primary project areas (being E1 and Monakoff) joined by a haul road and infrastructure tenement.

The Mount Margaret Copper Project is currently owned by MIM via its 100% shareholding in MTM. MIM's ultimate parent is Glencore Plc (**Glencore**). Mining originally commenced at Mt Margaret in July 2012 after Mt Margaret was acquired from Exco Resources Ltd in June 2011 for \$175 million by Xstrata Plc.³ Approximately \$124 million was subsequently spent on project development and infrastructure.⁴ Xstrata was later acquired by Glencore on 2 May 2013. Glencore ceased mining in 2014 as copper entered into a bear market. Since Glencore's decision to cease mining, the Mount Margaret Copper Project has been on 'care and maintenance'.

Following the Acquisition, Comet aims to expand the current JORC Mineral Resource by drilling along strike and at depth extensions of current resources and will also undertake a comprehensive review of the Mount Margaret Copper Project database to delineate further regional drill targets highlighted by past geophysical and geochemical work.

³ Refer to announcement of Exco Resources Ltd (ASX:EXCO) dated 30 June 2011.

⁴ Refer to Xstrata Copper press release dated 31 July 2012.



| Project Area | Tenement | Area | Area Unit | Grant/Renewal | Expiry |
|------------------------------|----------|--------|------------|---------------|-------------------------|
| E1 | ML90157 | 181.6 | ha | In renewal | |
| | ML90199 | 1655.4 | | 9/12/2011 | 31/12/2032 |
| | ML90228 | 71.1 | | 17/02/2012 | 28/02/2033 |
| | EPM8609 | 27 | Sub-blocks | 15/01/1992 | 14/01/2023 |
| Monakoff | EPM14201 | 17 | | 13/10/2004 | 12/10/2022 ¹ |
| | EPM7085 | 2 | | 13/03/2021 | 13/03/2023 |
| | ML90198 | 614.4 | ha | 26/07/2012 | 31/07/2033 |
| | ML7122 | 32.3 | | 15/10/1992 | 31/10/2032 |
| Haul road and infrastructure | ML90229 | 856.8 | | 26/07/2012 | 31/07/2033 |

Table 1 - Licences of the Mount Margaret Project

1. EPM14201 renewal was lodged with the Qld Dept. of Resources on 1 July 2022

| Deposit | Classification | Tonnage (Mt) | Cu (%) | Au (g/t) |
|--------------|--|--------------|-------------|-------------|
| E1 | Measured | 4.6 | 0.70 | 0.20 |
| | Indicated | 5.5 | 0.75 | 0.23 |
| | Inferred | 0.4 | 0.90 | 0.30 |
| | TOTAL | 10.5 | 0.74 | 0.22 |
| Monakoff | Measured | 0.0 | 0.0 | 0.0 |
| | Indicated | 2.4 | 0.95 | 0.3 |
| | Inferred | 0.1 | 0.80 | 0.20 |
| | TOTAL | 2.5 | 0.94 | 0.30 |
| | | | | |
| Total | Measured + Indicated + Inferred | 13.0 | 0.78 | 0.24 |

Table 2 - JORC (2012) Resources (cut-off grade for E1 0.3% Cu, Monakoff 0.5% Cu)



Figure 1: E1 North Pit around commencement of mining operations

Barraba Copper Project:

During the quarter the Company announced that the Barraba Copper Project (**Barraba**) located in New South Wales (**NSW**) on EL8492 has received regulatory approval from the NSW Resources Regulator to commence exploration works including drilling. The permitting of exploration works follows the successful resolution of an action at the National Native Title Tribunal earlier this year, which provided access to areas of Barraba that lie on Crown Land and are subject to a Native Title claim.

The exploration permit provides the Company with access to commence drilling around the historic Gulf Creek Mine located at Barraba. The initial seven hole diamond drilling program is designed to intercept these historic lodes along strike and at depth from the historical underground workings.

Several site visits have recently been conducted, including with a drilling services contractor, to plan access routes and sites for the drill pads that minimise the need for clearing of bush and vegetation, and limit any earthworks required for positioning of the drill rigs to conduct the drilling.

Upon completion of the proposed acquisition of the Mount Margaret Copper Mine (**Mount Margaret**) from Glencore plc (**Glencore**) funding will be available to commence the planned exploration activities at Barraba. Further information on timing for commencement of drilling will be provided at that stage.

Since the Company's announcement on 14 July 2022 outlining discussions that were in process with Glencore to improve the transaction structure of the Mount Margaret acquisition we have continued to work with both Glencore and the ASX to reach a final agreement that we can announce to shareholders. We hope to be able to update shareholders on that matter in the near term and appreciate your patience in the interim.

Summary of the Barraba Copper Project:

The 2,375ha exploration license that covers the project area, EL8492, is located near the town of Barraba, approximately 550km north of Sydney. It sits along the Peel Fault line and encompasses the historic Gulf Creek and Murchison copper mines. The region is known to host VMS style mineralisation containing copper, zinc, lead and precious metals. Historical workings at Gulf Creek produced high-grade copper and zinc for a short period around the turn of the 19th century, and this area will form a key part of the exploration focus.

The Barraba Copper Project has never been systematically tested by modern exploration techniques. The initial exploration program will include drill testing of areas below the historically identified deposits, plus high-level exploration targets delineated by an induced polarisation (IP) survey of parts of the license area that were never followed up.

To complement the drill testing we also plan to complete downhole geophysics with the aim of providing additional information about potential parallel and blind lodes, in addition to the known historical lodes. As volcanogenic massive sulphide (VMS) deposits often occur in clusters, we are excited about the potential for new discoveries on the Barraba Copper Project through new exploration works and testing the extent of the previously discovered and partially mined lodes.

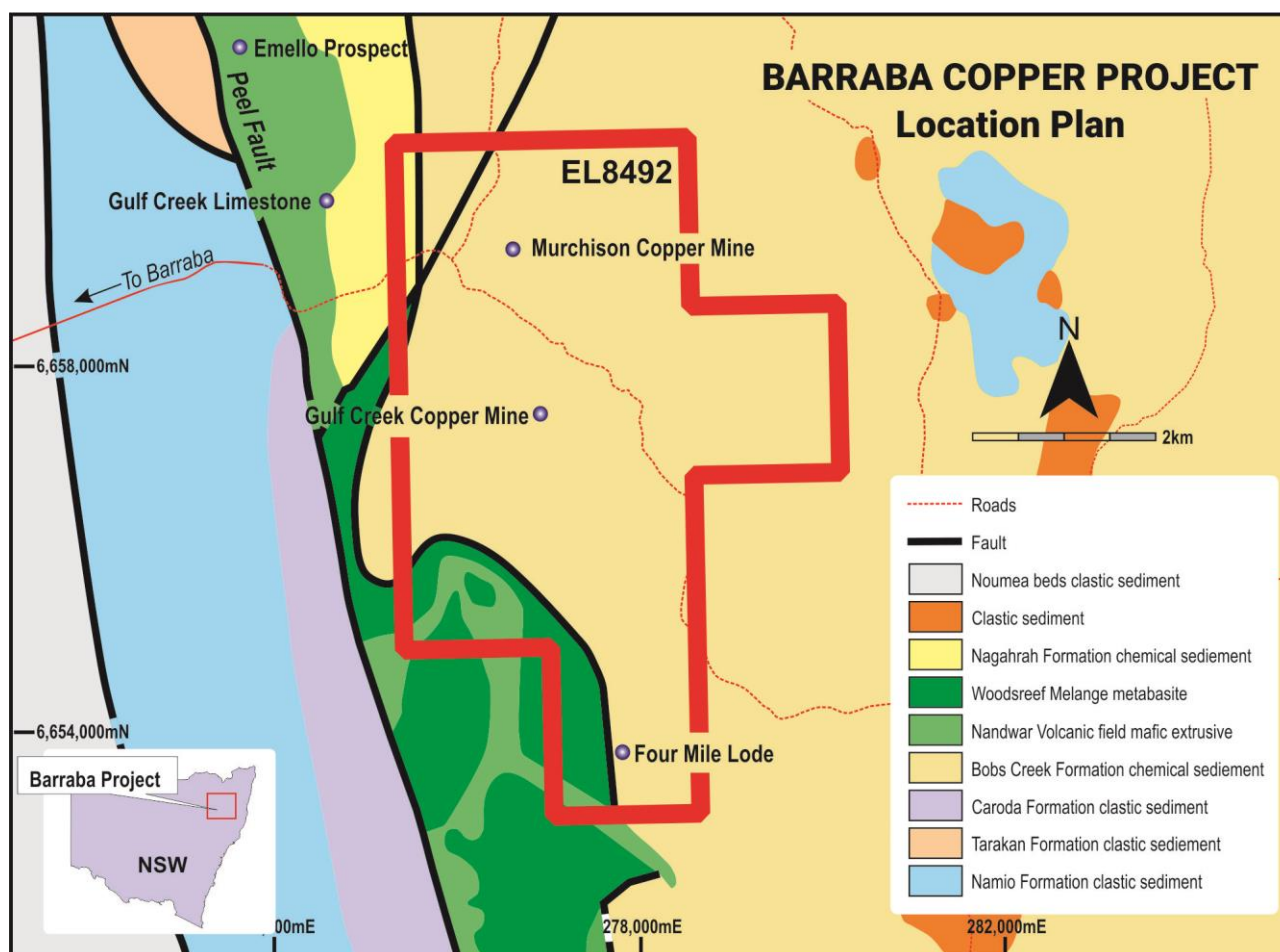


Figure 2: Regional Geology of the Barraba Copper Project

Corporate Activities:

Pursuant to Section 6 of the Appendix 5B, the Company paid \$76,244 in executive and non-executive director fees, superannuation and wages to the board of Comet Resources Limited. Expenditure incurred from operating and investing activities during the Quarter relates to legal and technical due diligence in regard to project acquisitions, exploration costs and for general working capital purposes (the **SEP Q** Expenditure). A further breakdown is included below.

SEP Q Exploration Expenditure Summary

| Project | Description | Amount (\$'000) |
|------------------------------------|---|-----------------|
| General exploration and Evaluation | <ul style="list-style-type: none">Tenement access, administration and managementTenement LegalDue diligence programs for project specific activities and independent reportsTechnical consulting feesGeological consultants | 52 |
| Total | | 52 |

SEP Q Administration and Staff Expenditure Summary

| Description | Amount (\$'000) |
|---|-----------------|
| <ul style="list-style-type: none"> Accounting, Office Administration & rent, Audit and Secretarial | 27 |
| <ul style="list-style-type: none"> ASX Fees | 44 |
| <ul style="list-style-type: none"> Non-executive Director Fees | 11 |
| <ul style="list-style-type: none"> Managing Director Fees | 65 |
| <ul style="list-style-type: none"> Marketing, subscriptions, Investor relations, Printing and postage | 5 |
| <ul style="list-style-type: none"> Other legal, admin, GST paid (IG6), R&D rebate and corporate | 287 |
| Total | 439 |

This announcement has been authorised by the Board of Comet Resources Limited.

For further information please contact:

MATTHEW O'KANE

Managing Director

(08) 6489 1600

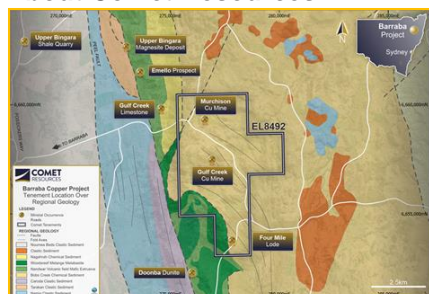
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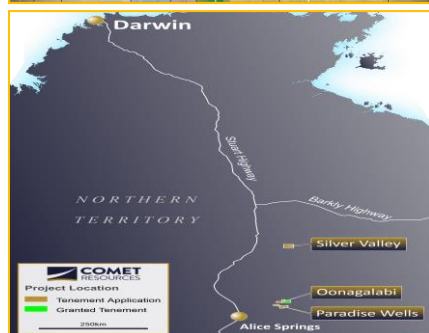
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About Comet Resources



Barraba Copper Project (NSW)

The 2,375ha exploration license that covers the project area, EL8492, is located near the town of Barraba, approximately 550km north of Sydney. It sits along the Peel Fault line and encompasses the historic Gulf Creek and Murchison copper mines. The region is known to host volcanogenic massive sulphide (VMS) style mineralisation containing copper, zinc, lead and precious metals. Historical workings at Gulf Creek produced high-grade copper and zinc for a short period around the turn of the 19th century, and this area will form a key part of the initial exploration focus.



Northern Territory Projects (NT)

The portfolio of Northern Territory exploration licenses and exploration license applications covers an area of approximately 840km². Although historical exploration results were indicative of near surface gold and copper mineralisation, very limited modern exploration has occurred. Comet plans to utilise modern exploration techniques to rapidly advance the scale of known mineralisation, especially where known geophysical and geochemical anomalies exist that have not been comprehensively drill tested.

Forward-Looking Statement

This announcement includes forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning Comet Resources Limited's planned exploration programs, corporate activities and any, and all, statements that are not historical facts. When used in this document, words such as "could," "plan," "estimate," "expect," "intend," "may," "potential," "should" and similar expressions are forward-looking statements. Comet Resources Limited believes that its forward-looking statements are reasonable; however, forward looking statements involve risks and uncertainties and no assurance can be given that actual future results

will be consistent with these forward-looking statements. All figures presented in this document are unaudited and this document does not contain any forecasts of profitability or loss.

Appendices

Tenement List

| Project | Location | Tenement | Interest |
|---------------------------|----------|----------|----------|
| Barraba | NSW | EL8492 | 80% |
| | NT | EL32279 | 100% |
| Northern Territory Assets | | ELA32664 | 100% |
| | | ELA32190 | 100% |
| | | ELA32241 | 100% |

Competent Person Statement

The information in this report that relates to Exploration Results and Mineral Resources Estimates is based on information compiled or reviewed by Ms Elizabeth Laursen (B. ESc (Hons), GradDipAppFin, MAIG, MSEG). Ms Laursen is a member of the Australian Institute of Geoscientists. Ms Laursen has sufficient experience that is relevant to the style of mineralisation, type of deposit under consideration and to the activity that they are undertaking to qualify as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration, Results, Mineral Resource and Ore Reserves'. Mrs Laursen consents to the inclusion in this report of the matters based on their information in the form and context in which they appear.

ASX Listing Rules Compliance Statement

In preparing the Quarterly Report for the period ended 30 September 2022 and to date, the Company has relied on the following ASX announcements. This report contains information extracted from ASX releases and reports cited herein. These are available to view on the website. In relying on the above ASX announcements and pursuant to ASX Listing Rule 5.23.2, the Company confirms that it is not aware of any new information or data that materially affects the information included in the abovementioned announcements or this Quarterly Report for the period ended 30 September 2022 and to date.

| | | |
|------------------|------------|--|
| ASX Announcement | 20/10/2022 | PROSPECTUS |
| ASX Announcement | 12/10/2022 | Notice of General Meeting/Proxy Form |
| ASX Announcement | 16/09/2022 | Comet Acquires Strategic Qld Copper Project from Glencore |
| ASX Announcement | 06/09/2022 | Barraba Copper Project now Permitted for Drilling |
| ASX Announcement | 14/07/2022 | Extraordinary General Meeting Update |
| ASX Announcement | 27/05/2022 | Notice of General Meeting/Proxy Form |
| ASX Announcement | 11/04/2022 | Comet Gains Access to Barraba Copper Project |
| ASX Announcement | 04/04/2022 | Comet Acquires Strategic Qld Copper Project from Glencore |
| ASX Announcement | 27/10/2021 | CRL and International Graphite to create integrated business |
| ASX Announcement | 06/10/2021 | Comet adopts ESG Reporting |
| ASX Announcement | 11/05/2021 | Acquisition Completion of NT Copper Projects |
| ASX Announcement | 19/03/2021 | Acquisition of Highly Prospective Copper-Gold Project in NT |
| ASX Announcement | 02/03/2021 | Aeromagnetic Survey to Commence at Barraba Copper Project |
| ASX Announcement | 13/01/2021 | High Grade Copper and Zinc Mineralisation Confirmed |
| ASX Announcement | 16/12/2020 | Santa Teresa Gold Project Drilling to Commence Q1 2021 |
| ASX Announcement | 26/11/2020 | Extensive Surface Copper Mineralisation at Barraba Project |
| ASX Announcement | 21/08/2020 | Excellent Graphite Grades - Initial Metallurgical Test Work |
| ASX Announcement | 23/07/2020 | Barraba Copper Project Update |
| ASX Announcement | 16/04/2020 | Capital Raising Closed and Project Acquisition Completed |
| ASX Announcement | 23/01/2020 | Copper Project Acquisition |

Appendix 5B

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

Name of entity

Comet Resources Limited

ABN

88 060 628 202

Quarter ended ("current quarter")

30 September 2022

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (3 months) \$A'000 |
|--------------------------------------|---|----------------------------|---------------------------------------|
| 1. | Cash flows from operating activities | | |
| 1.1 | Receipts from customers | - | - |
| 1.2 | Payments for | | |
| | (a) exploration & evaluation | (52) | (52) |
| | (b) development | - | - |
| | (c) production | - | - |
| | (d) staff costs | (76) | (76) |
| | (e) administration and corporate costs | (98) | (98) |
| 1.3 | Dividends received (see note 3) | - | - |
| 1.4 | Interest received | 1 | 1 |
| 1.5 | Interest and other costs of finance paid | - | - |
| 1.6 | Income taxes paid | - | - |
| 1.7 | Government grants and tax incentives | 122 | 122 |
| 1.8 | Other (IG6 GST Paid) | (387) | (387) |
| 1.9 | Net cash from / (used in) operating activities | (491) | (491) |
| 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 (3 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) | - | - |
| 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 (Raptor Financing) | - | - |
| 3.10 | Net cash from / (used in) financing activities | - | - |

| | | | |
|-----------|--|-------|-------|
| 4. | Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 | Cash and cash equivalents at beginning of period | 658 | 658 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (491) | (491) |
| 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) | - | - |

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 (3 months) \$A'000 |
|--------------------------------------|---|----------------------------|---------------------------------------|
| 4.5 | Effect of movement in exchange rates on cash held | - | - |
| 4.6 | Cash and cash equivalents at end of period | 167 | 167 |

| 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 | 147 | 525 |
| 5.2 | Call deposits | 20 | 20 |
| 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) | 167 | 545 |

| 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 | - |
| <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 | - | - |
| 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) | (491) |
| 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) | (491) |
| 8.4 Cash and cash equivalents at quarter end (item 4.6) | 167 |
| 8.5 Unused finance facilities available at quarter end (item 7.5) | - |
| 8.6 Total available funding (item 8.4 + item 8.5) | 167 |
| 8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3) | 0.34 |
| <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: As per ASX release on 16 September 2022, CRL will seek to acquire 100% of the MT Margaret Copper Project from Glencore. This will require ASX re-compliance under chapter 1 and 2 of the ASX Listing Rules. This will increase operating cash flows post completion however they will be funded by the capital raise that will be completed to fund the transaction. Please refer Prospectus dated 20 October 2022 for further details. | |
| 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: Please refer above section 8.8.1. | |

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: Yes, in the near term and following re-compliance as detailed in section 8.8.1

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:31/10/2022.....

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.