

## Quarterly Activities Report September 2022

31 October 2022

### PILBARA LITHIUM AND RARE-EARTH PROJECTS, WESTERN AUSTRALIA

- **CZL completed the acquisition of the Pilbara Lithium and Gascoyne rare-earths projects.**
  - 1,000km<sup>2</sup> of 4 granted exploration licenses and 1 in application, prospective for lithium, tantalum, tin and other minerals.
  - South Wodgina Lithium Project is the high priority exploration targets, with known lithium at Mt Francisco adjacent to the north-west corner of the South Wodgina Lithium EL. Entry to conduct on ground exploration anticipated Q1 2023, following permitting.
  - Marble Bar Lithium leases consist of Ant Hill, Camel Creek and Fig Tree
  - Hyperspectral evaluation of the Pilbara tenements initiated with the acquisition of ASTER (Advanced spaceborne thermal emission and reflection radiometer) and Sentinel satellite data
  - Evaluation of the data for Carmel Creek and Ant Hill exploration tenements identified 74 anomalies being explored
  - Data for Wodgina and Fig Tree exploration tenements to be evaluated to assist with determining on-ground exploration once all permits are granted.

### PLOMOSAS, MEXICO

- **Production significantly impacted by cumulative impact of several incidents:**
  - 6,695 tonnes ore mined.
  - 6,540 tonnes of ore processed at 12.5% zinc, 6.3% lead and 37.6g/t silver.
  - Payable metal sold, 485 tonnes of zinc and 129 tonnes of lead in concentrate.
- **Inventory stockpiles at quarter end:**
  - 319 tonnes of high-grade run-of-mine ore.
  - 77 tonnes zinc concentrate & 25 tonnes lead concentrate available for sale.
- **Realised zinc price of \$1.46/lb for the quarter, \$1.55/lb YTD.**
- **Cash costs high due to disrupted production:**
  - **C1 cash cost of payable zinc sold \$1.68/lb for quarter, \$1.92/lb YTD.**
  - **C1 cash cost for zinc produced \$1.54/lb for the quarter, \$1.73/lb YTD.**
- **Closing cash of US\$1.192 million, increase from the prior quarter of US\$0.669 million.**

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*All references in this report are to US\$, unless otherwise stated.*

Ground Floor, 25 Richardson Street, West Perth WA Australia 6005, PO Box 839, West Perth WA Australia 6872

T: +61 8 6400 6222 E: [info@conzinc.com.au](mailto:info@conzinc.com.au)

ACN 118 554 359

Consolidated Zinc Limited (CZL:ASX or “the Company”) presents its September 2022 quarterly activities report.

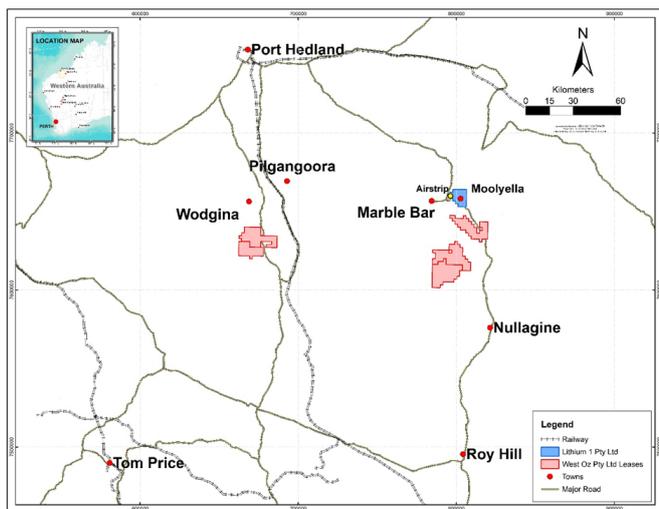
## LITHIUM AND RARE EARTHS PROJCTS – PILBARA, WESTERN AUTRALIA

### Westoz Lithium acquisition completion

Consolidated Zinc is pleased to advise it has completed the acquisition all of the shares held in Westoz Lithium Pty Ltd (**Westoz Lithium**) on 29 July 2022.

Westoz Lithium holds 100% interests in approximately 1,400km<sup>2</sup> of 5 Exploration Licenses (“EL”) and 1 Exploration License Application (“ELA”) in the Pilbara and Gascoyne regions of Western Australia. The Pilbara Projects are approximately 1,000km<sup>2</sup> and are highly prospective for lithium, rare earth elements and base metals and are situated near two of the world's largest hard rock lithium deposits (ASX: PLS – Pilgangoora & ASX: MIN – Wodgina) and other tenements near Marble Bar (ASX:GL1’s Archer Project).

The Fig Tree exploration licence application is pending final consent of the Heritage party and it is expected on issuance of the no objection, the Fig Tree exploration licence will be granted.



**Figure 1:** Location of the Pilbara Lithium tenements

## South Wodgina

The South Wodgina EL's (E45/5973 and E45/5974) are located approximately 150km south of Port Hedland, adjacent to Wodgina Lithium-Tantalum operation (Wodgina Indicated & Inferred Mineral Resources estimated at 259.2 Mt at 1.17% Li<sub>2</sub>O operated in a joint venture between Mineral Resources and Ablemarle).

Pilgangoora and Wodgina are located near the south-western boundary of the East Pilbara Terrane of the Pilbara Craton. The western flank of the East Pilbara Terrane forms part of a globally significant pegmatite province extending over 120 km by 30km containing widespread rare and critical metal mineralisation.

The South Wodgina EL's lie along the south-west extension of the Lithium/Tantalum deposits of the Wodgina operation. The area is characterised by swarms of pegmatite intrusions which contain Lithium-Caesium-Tantalum as well as some rare earth elements (REE) known as LCT-type pegmatites.

## Marble Bar

The Marble Bar ELA (E45/5972, Figtree) and EL's (E45/5987, Camel Creek and E45/5986, Anthill) are located approximately 80km south of Marble Bar, close to Global Lithium's Marble Bar Lithium Project. They lie along the sealed highway and approximately 280km south-east of Port Hedland.

The Moolyella tin and tantalum deposits also lie directly north and have been historically mined over 100 years. The Numbana Monzogranite complexes that outcrop in the district are known to host lithium-bearing pegmatites which have been unexplored due to the past focus on base metal and gold exploration. The Anthill, Camel Creek, and Fig Tree licences of the Westoz acquisition lie within a corridor of known lithium and REE mineralisation. The 670 km<sup>2</sup> holding has been under explored for LCT pegmatite type deposits and thus are considered prospective for new discoveries.

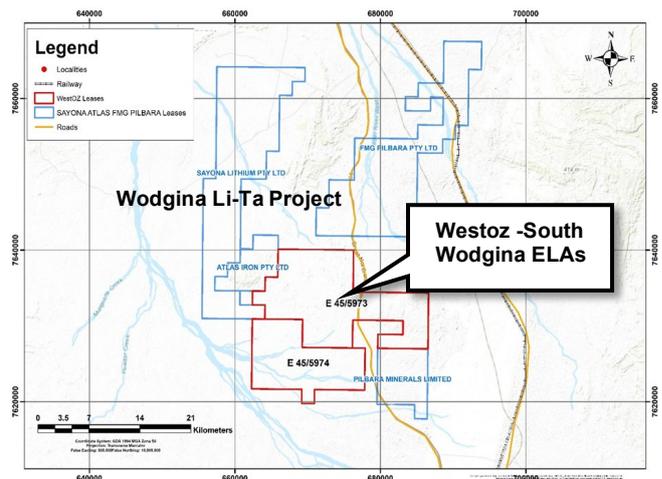


Figure 2: Location of the South Wodgina tenements

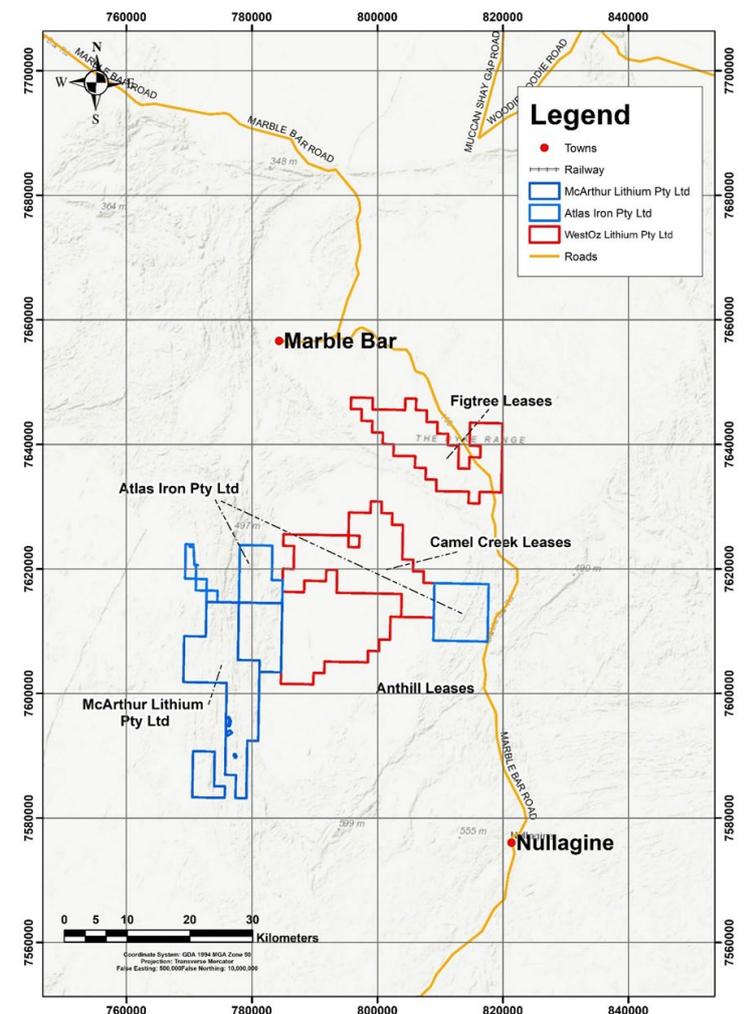


Figure 3: Location of the Marble Bar tenements

## **Wandagee**

The Wandagee Project is located approximately 150km northeast of Carnarvon and 45km east of the Minilya Bridge Roadhouse, in the Gascoyne Region of Western Australia. The Wandagee Project consists of one EL (E09/2499) covering an area of ~400km<sup>2</sup>. The EL is prospective for Rare-earths, Zinc-Lead-Silver/Copper-Lead-Silver base metals and has limited exploration undertaken in the past.

## **Westoz Lithium acquisition terms**

The Company, Westoz Lithium and the current shareholders of Westoz Lithium, Paul Watts and Arnel Mendoza (**Vendors**) have executed the Acquisition Agreement to acquire 100% of the issued capital of Westoz Lithium from the Vendors. The Vendors are unrelated third parties of the Company.

In aggregate, the Vendors of Westoz Lithium received A\$740,000 for the Acquisition. On completion of the Acquisition Agreement. The consideration was paid through the issue of 24,000,000 Shares, with an issue price of \$0.025 per Share and aggregate value of A\$600,000. Furthermore, within 5 Business Days of Completion, in order to clear outstanding shareholder loans owed by Westoz Lithium to the Vendors (Shareholder Loans), the Company will pay the sum of A\$90,000 to Paul Watts and A\$50,000 to Arnel Mendoza. Westoz Lithium and the Company will be released from any liability or claims in relation to the Shareholder Loans once the abovementioned payments are made to Paul Watts and Arnel Mendoza by the Company.

For full details of the binding share purchase agreement, refer to the ASX announcement dated 16 May 2022.

## **Pilbara Lithium exploration activities**

The Company is pleased to advise that an exploration program has been approved for lithium-focused exploration to be completed this year.

Key steps in the exploration program include:

- Heritage Agreements have been finalised for all EL's and ELA's;
- Welcome to Country with Native Title Holders and meetings with pastoralists are planned to facilitate access for exploration activities with local stakeholders;
- Secure all permits required for entry onto the South Wodgina licenses;
- Initial reconnaissance outcrop rock chip sampling will be undertaken, while inspecting known and suspected areas of mineralisation, and aims to assess and prioritise the possible lithium tenor/grade of the outcrops;
- Field staff have been sourced 3 crews over a 9-week exploration program, that will have a staggered commencement from mid to late-September 2022;
- A hyperspectral evaluation of the 5 Pilbara Project tenements has been initiated with the acquisition of ASTER and Sentinel satellite data which will be evaluated by Aimex Geophysics Pty Ltd. The results of the survey will be used to assist in discriminating areas for on-ground exploration;
- Geological mapping and comprehensive follow-up sampling / assaying is expected to happen over the next 3 months on the higher priority areas defined by the hyperspectral survey and initial reconnaissance; and
- The aim is to locate and sample LCT pegmatites that contain spodumene lithium mineralisation.

## **Health, Safety and Environment**

During the quarter there were zero lost time injuries and no reportable environmental incidents.

The Covid 19 protocols remain embedded in the operating practises and will remain until it is considered safe and appropriate to remove these practises.

## **EXPLORATION EXPENDITURE**

During the quarter, exploration activities and expenditure related to the Pilbara Lithium projects with \$0.080 million of expenditure.

## **OPERATIONS - PLOMOSAS MINE, CHIHUAHUA STATE, MEXICO (100% OWNED)**

### **Mining**

During the quarter 5,499 tonnes of ore were mined with 6,695 tonnes hauled to the surface at Plomosas.

During the quarter efforts focused on improving the short term mine plan, preparation to move to utilisation of a mining contractor with specialist skills to undertake the underground works efficiently and sourcing of suitably qualified staff to fill the key positions in the mining and maintenance functions was progressed.

### **Processing**

During the quarter, 6,540 tonnes of ore was processed through the Plomosas Plant, at 12.5% Zinc, 6.3% lead and 37.6g/t silver. Recovery of zinc-to-zinc concentrate was 68.2% (Q2 2022: 73.4%) with 29.9% (Q2 2022: 35.9%) recovery of lead-to-lead concentrate.

At the end of the quarter, inventory stockpiles were 319 tonnes of ROM ore available for processing and 77 tonnes of zinc concentrate and 25 tonnes of lead concentrate.

### **Operating Costs**

The quarterly C1 cash operating cost was \$1.68 per payable pound of zinc sold, a 21% decrease from the second quarter 2022 (\$2.12/lb).

Due to the lower than planned production rate and high proportion of fixed operating costs at Plomosas, the unit operating cost were higher than budgeted. The lower than planned mine production resulted in the plant operating for 61 of the 91 days during the quarter. The largest portion of fixed costs are Plomosas are labour and diesel costs, which continue to be impacted by inflationary cost pressures.

**TABLE 1. QUARTER ENDED 30 SEPTEMBER 2022 PRODUCTION STATISTICS**

			Q1 2022	Q2 2022	Q3 2022	Year to date
<b>MINED</b>	Ore	MT	3,041	6,545	<b>6,695</b>	16,281
	Waste	MT	140	353	<b>694</b>	1,187
	Development	Metres	86	90	<b>255</b>	431
<b>ORE PROCESSED</b>	Ore	MT	3,207	6,889	<b>6,540</b>	16,635
	Zinc	%	9.8%	12.1%	<b>12.5%</b>	12.0%
	Lead	%	4.5%	6.5%	<b>6.3%</b>	6.1%
	Silver	Grams/t	28.3	42.5	<b>37.6</b>	38.4
<b>SALES</b>	Payable Zinc	MT	200	413	<b>485</b>	1,098
	Payable Lead	MT	42	119	<b>129</b>	290
	Payable Silver	Oz	194	1,196	<b>1,710</b>	3,100
<b>C1 CASH COST PER PAYABLE ZINC SOLD</b>	Mining, Processing & G&A	\$/lb payable Zinc sold	\$2.11	\$2.08	<b>\$1.58</b>	\$1.86
	Treatment & Transport Charges	\$/lb payable	\$0.17	\$0.29	<b>\$0.33</b>	\$0.20
	By Product Credits	\$/lb payable	\$(0.22)	\$(0.25)	<b>(\$0.23)</b>	\$(0.24)
	<b>C1 Cash Cost</b>	<b>\$/lb payable</b>	\$2.06	\$2.12	<b>\$1.68</b>	\$1.92

### Concentrate Sales

1,202 tonnes of zinc concentrate, and 292 tonnes of lead concentrate were sold in the quarter.

At the end of the quarter, 77 tonnes of zinc concentrate, and 25 tonnes of lead concentrate were stockpiled to be sold in the current quarter.

The realised zinc price for the quarter was \$1.46/lb, inclusive of provisional and final pricing adjustments up to 30 September 2022.

### Health, Safety and Environment

During the quarter there were zero lost time injuries and no reportable environmental incidents.

The Covid 19 protocols remain embedded in the operating practises and will remain until it is considered safe and appropriate to remove these practises.

## **CORPORATE**

### **Board and Management Changes**

On the 10<sup>th</sup> August 2022, the Company announced it had undertaken changes to its Board and management to best manage the additional exploration requirements for the Company following the acquisition of the Pilbara Lithium assets, whilst maintaining focus on maximising returns on the Company's investment in the Plomosas Mine in Mexico.

Effective 1 September 2022, Mr Andrew Richards retired as Chairman of the Board and a Director of the Company. Managing Director, Mr Brad Marwood, was appointed as Executive Chairman and at the same time Mr Anthony Italiano, CZL's Company Secretary and Chief Financial officer joined the Board as an Executive Director.

Mr Peter McNeil was appointed as CZL's Exploration Manager, to manage all aspects of the Pilbara Lithium exploration program as well as overseeing proposed exploration around the Plomosas mine in Mexico. Peter has managed exploration in several countries for over 30 years and brings a wealth of experience to CZL. His insights will be invaluable as CZL seeks to capitalise on the potential of its Mexican assets while advancing its new lithium assets to provide lithium, in addition to zinc, to the Electric Vehicle (EV) market.

### **Capital Raising**

On 23 September 2022, the Company announced it had completed a placement to raise A\$1.66 million (before costs), through the issue of 75.6 million Shares at A\$0.022 per Share together with, subject to shareholder approval, one (1) free attaching New Option (with an exercise price of A\$0.04 each, an expiry date of 31 December 2024 and proposed to be quoted on ASX) for every Share subscribed (the "Placement").

Furthermore, Directors and major shareholder, Copulos Group, have committed for a total of 19.4 million Shares at A\$0.022 per Share to raise a further A\$0.43 million for the Company, on the same terms as the Placement, subject to shareholder approval (the "Related Party Participation").

Funds raised from the Placement will be applied towards exploration expenditure at the Pilbara Lithium Project, general working capital and offer costs.

The Related Party Participation is subject to shareholder approval under ASX Listing Rule 10.11, with shareholder approval will be sought at an Extraordinary General Meeting (EGM) to be held in or about early December 2022, with the notice of meeting expected to be sent to shareholders soon.

RM Corporate Finance Pty Ltd acted as the Lead Manager to the Placement and will be paid a management and capital raising fee totalling 6.0% of gross funds raised (plus GST).

### **Cash**

The Company's closing cash at the end of the quarter was \$1.192 million, an increase from the prior quarter of \$0.669 million.

### **Trade Receivables and Payables**

The Company's trade receivables due from the sale of zinc and lead concentrates were \$0.408 million (prior quarter \$0.302 million) and VAT refundable of \$0.653 million (prior quarter \$0.777 million).

The VAT refunds continue to be recovered through a combination of cash refunds and offsetting against any monthly VAT payable amounts due to the Mexican government. The VAT refunds are denominated in Mexican Peso and revalued monthly to the functional currency of US Dollars.

The estimated sale value of the zinc and lead concentrate stockpiles at the end of the quarter is \$0.116 million (prior quarter \$0.416 million), based on provisional assays and commodity prices on 30 September 2022.

Trade payables and accruals at the end of the quarter were \$3.106 million (prior quarter \$3.138 million).

Trade payables includes approximately \$1.135 million invoiced by a former contractor but disputed by the Company.

#### **Payments to Related Parties**

During the quarter, payments totalling \$73,000 were made to directors for salaries, directors fees, superannuation.

#### **Ganti Legal Case**

During the quarter, there was no change in the status of the Ganti legal case with the Mexican courts.

This announcement was authorised for issue to the ASX by the Directors of the Company.

For further information please contact:

**Brad Marwood**  
**Managing Director**  
**08 6400 6222**

#### **ABOUT CONSOLIDATED ZINC**

Consolidated Zinc Limited (ASX: CZL) owns 100% interests in the Pilbara Lithium and Wandagee Projects, which comprise approximately 1,400km<sup>2</sup> in 5 granted exploration licenses (plus 1 exploration licence in application), located in the Pilbara and Gascoyne regions of Western Australia. The Pilbara Projects are highly prospective for lithium and are situated near two of the world's largest hard rock lithium deposits/ mines (ASX: PLS – Pilgangoora & ASX: MIN – Wodgina) and other deposits and occurrences near Marble Bar (ASX: GL1's Archer Project).

The Company also owns 100% of the Plomosas Mine, located 120km from Chihuahua City, Chihuahua State, Mexico. Chihuahua State has a strong mining sector with other large base and precious metal projects in operation. Historical mining at Plomosas (between 1945 and 1974) extracted over 2 million tonnes of ore grading 22% Zn+Pb, plus over 80g/t Ag. Only small -scale mining continued to the present day and the mineralised zones remain open at depth and along strike. The Company recommenced mining at Plomosas and to intends to exploit its potential by mining the high- grade zinc, lead and silver Mineral Resource and through the identification, exploration and exploitation of new zones of mineralisation.

#### **Caution Regarding Forward Looking Statements and Forward-Looking Information:**

*This report contains forward looking statements and forward-looking information, which are based on assumptions and judgments of management regarding future events and results. Such forward-looking statements and forward-looking information involve known and unknown risks, uncertainties, and other factors which may cause the actual results, performance, or achievements of the Company to be materially different from any anticipated future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the actual market prices of lithium zinc and lead, the actual results of current exploration, the availability of debt and equity financing, the volatility in global financial markets, the actual results of future mining, processing and development activities, receipt of regulatory approvals as and when required and changes in project parameters as plans continue to be evaluated.*

Except as required by law or regulation (including the ASX Listing Rules), Consolidated Zinc undertakes no obligation to provide any additional or updated information whether because of new information, future events, or results or otherwise. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward-looking statements.

**Production Targets:**

Production targets referred to in this report are underpinned by estimated Mineral Resources which have been prepared by competent persons in accordance with the requirements of the JORC Code. The production targets in this report are sourced from both Indicated and Inferred Mineral Resources and it should be noted that there is a low geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the production target will be realised.

The stated production target is based on the Company's current expectations of future results or events and should not be solely relied upon by investors when making investment decisions. Further evaluation work and appropriate studies are required to establish sufficient confidence that this target will be met.

**Competent Persons' Statement**

The information in this report that relates to exploration results, data collection and geological interpretation is based on information compiled by Duncan Greenaway (Hons), Mr Greenaway is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr. Greenaway has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that is being undertaken to qualify as Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves' (JORC Code). Mr. Greenaway consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Mineral Resources is based on information compiled by Mr Shaun Searle who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Searle is a full-time employee of Ashmore Advisory Pty Ltd. Mr Searle has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he has undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Searle consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

## Appendix 1: Tenement Schedule

The schedule of tenements and concessions held by the Company on 30 September 2022 are detailed in the Table 2 below.

The Company acquired 100% of the Australian tenements on 29 July 2022 (prior quarter nil ownership).

There were no changes to the Mexico tenements during the quarter.

Table 2 – Tenement schedule						
Lease	Project	Name	Type	Lease Status	Expiry Date	CZL Equity
<b>Mexico</b>						
217641	Plomosas	La Falla	Mining	Granted	05/08/2052	100%
218242	Plomosas	La Verdad	Mining	Granted	16/10/2052	100%
225527	Plomosas	El Olvido	Exploitation	Granted	19/09/2055	100%
224880	Plomosas	Pronto	Exploitation	Granted	20/06/2055	100%
218272	Plomosas	Ripley	Exploitation	Granted	16/10/2052	100%
216882	Plomosas	La México	Exploitation	Granted	04/06/2052	100%
227077	Plomosas	Don Lucas	Exploitation	Granted	03/05/2056	100%
227078	Plomosas	Don Lucas II	Mining	Granted	03/05/2056	100%
227664	Plomosas	Don Lucas III	Mining	Granted	27/07/2056	100%
230175	Plomosas	Don Lucas IV	Mining	Granted	26/07/2057	100%
235942	Plomosas	Don Sabastian	Exploration	Granted	19/04/2060	100%
<b>Australia</b>						
ELA09/2499	Wandagee	Wandagee	Exploration	Granted	01/06/2027	100%
ELA45/5972	Figtree	Figtree	Exploration	Application	-	100%
ELA45/5973	South Wodgina	South Wodgina	Exploration	Granted	03/07/2027	100%
ELA45/5974	South Wodgina	South Wodgina	Exploration	Granted	03/07/2027	100%
ELA45/5986	Ant Hill	Ant Hill	Exploration	Granted	26/05/2027	100%
ELA45/5987	Camel Creek	Camel Creek	Exploration	Granted	26/05/2027	100%

## Appendix 5B

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

Name of entity

CONSOLIDATED ZINC LIMITED

ABN

27 118 554 359

Quarter ended ("current quarter")

30 SEPTEMBER 2022

Consolidated statement of cash flows		Current quarter \$US'000	Year to date (9 months) \$US'000
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	1,670	3,839
1.2	Payments for		
	(a) exploration & evaluation	(80)	(94)
	(b) development	-	-
	(c) production	(1,789)	(4,363)
	(d) staff costs	(117)	(342)
	(e) administration and corporate costs	(36)	(162)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	-	(27)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (VAT refunds and insurance recoveries)	-	170
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(352)</b>	<b>(979)</b>
<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire or for:		
	(a) entities	(123)	(123)
	(b) tenements	-	-
	(c) property, plant and equipment	-	(21)
	(d) exploration & evaluation	-	-
	(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 \$US'000	Year to date (9 months) \$US'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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(123)</b>	<b>(144)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,073	2,230
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	(75)	(160)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	(72)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>998</b>	<b>1,998</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	669	317
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(352)	(979)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(123)	(144)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	998	1,998

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

Consolidated statement of cash flows		Current quarter \$US'000	Year to date (9 months) \$US'000
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>1,192</b>	<b>1,192</b>

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		Current quarter \$US'000	Previous quarter \$US'000
5.1	Bank balances	1,192	669
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,192</b>	<b>669</b>

6. Payments to related parties of the entity and their associates		Current quarter \$US'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	73
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.*

Item 6.1 - payments of executive salary, director fees and the repayment of interest related to the unsecured loan from an entity related to Andrew Richards.

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

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<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>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other	-	-
<b>7.4 Total financing facilities</b>	<b>-</b>	<b>-</b>
<b>7.5 Unused financing facilities available at quarter end</b>		<b>-</b>
7.6 <i>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.</i>		

<b>8. Estimated cash available for future operating activities</b>	<b>\$US'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(352)
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)	(352)
8.4 Cash and cash equivalents at quarter end (item 4.6)	1,192
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	1,192
<b>8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	<b>3.4</b>
<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: 31 October 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.