

ASX ANNOUNCEMENT**31 JANUARY 2023****SECOND QUARTER ACTIVITIES REPORT****ENDING 31 DECEMBER 2022****HIGHLIGHTS**

- **Razorback optimisation studies on track for completion by end of March**
- **Peer Review confirmed robust process plant flow sheet with no fatal flaws**
- **‘Value in Use’ market analysis commissioned to optimise Project economics**
- **Muster Dam deposit upgraded to JORC 2012 standards (1.55 billion tonnes)**
- **Global Mineral Resource estimate increased to 5.74 billion tonnes**
- **Company transformation continued with appointment of Carmen Letton as NED**
- **Strong cash position with \$9.6 million cash on hand**

Magnetite Mines Limited (ASX:MGT) is pleased to provide an update of its activities for the quarter ending 31 December 2022.

With a global Mineral Resource base in South Australia now exceeding 5.7 billion tonnes, the Company remains focused on the development of its flagship Razorback Iron Ore Project. As the global steel industry decarbonisation transition gains momentum, the demand for high-grade iron ore products is rising. South Australia is increasingly well-positioned to take a lead role in the transition with superior attributes in terms of geopolitical stability, vast magnetite resources, on-grid renewable energy, and the development of a green hydrogen industry.

Project de-risking and the completion of optimisation studies were prioritised during the quarter following the Company’s strategic shift towards a larger scale (5-10Mtpa) initial production case with significant potential for staged expansion thereafter^{1,2}. Engineering and metallurgical studies are scheduled for completion over the coming weeks with a recommended go-forward development position expected by the end of March 2023 in line with previous disclosure³.

The Company continued its wide-ranging corporate transformation with the appointment of mining engineer and mineral economist Dr Carmen Letton to the Board.

MGT remains in a strong cash position with \$9.6 million cash on hand at the end of the period.

GREEN STEEL TRANSITION

In line with global commitments to eliminate carbon emissions by 2050, the iron and steelmaking industry shift towards decarbonisation continues to gain momentum and investment, with the focus on transitioning to Direct Reduced Iron (DRI) technologies and the associated requirement to source high-grade feed sources such as high-grade magnetite concentrates.

Today, only 13% of iron ore shipped is suitable for DRI-based steelmaking with high-grade feed demand forecast to progressively increase in line with the industry transition between now and 2050 (Figure 1). This demand can only be met by the development of new ore sources, including magnetite projects that can sufficiently pre-process and upgrade the iron ore to meet DRI requirements.

Global iron ore consumption, percentage

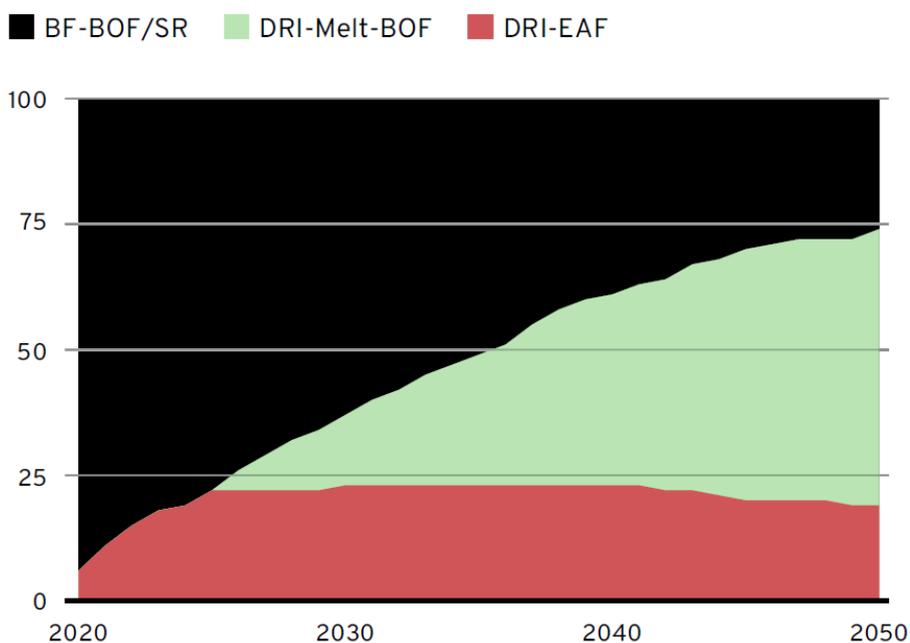


Figure 1. Forecast transition of iron ore feed requirements⁴

In addition to transitioning from blast furnaces to DRI-based steelmaking, the transition to true “Green Steel” (zero carbon emission) by 2050 is seeing major investments in various new technologies and industries. These include growth in the use of scrap steel for direct feed to Electric Arc Furnaces (EAF), and the development of green (renewable energy produced) hydrogen for use in both new DRI and hot briquetted iron (HBI) facilities as a reductant, replacing natural gas and coal.

South Australia is becoming uniquely placed, relative to other regions of the world, when it comes to iron and steel decarbonisation. Over and above hosting extensive magnetite resources, such as MGT’s vast Razorback Iron Ore Project, the state is now producing 70% of its energy via renewable sources and is on track to increase this to 100% by 2030.

The South Australian government has also established a Hydrogen Acton Plan and is investing more than \$500 million to initiate the development of new green hydrogen projects, highlighting the state’s commitment to the green energy transition and potential for green steel production⁵. The Company is increasingly enthusiastic about the South Australian government’s supportive and leading approach to creating a tier 1 jurisdiction for the production, export, and value-adding of high-grade magnetite concentrates.

RAZORBACK IRON ORE PROJECT – OPTIMISATION STUDIES

A suite of optimisation studies were commenced in September 2022 following the Company's announced strategic shift towards a larger scale production case with expansion optionality, responding to industry feedback underscoring expected high demand for high-grade iron product and encouraging larger scale^{1,2}. The study objectives are to provide engineering solutions and cost estimates, and to identify capital efficiencies within the mining, processing and logistics elements of the Project for larger-scale development and expansion scenarios.

The studies are well advanced with key consultants, Hatch, GHD and AMC undertaking process plant, tailings, non-process infrastructure, and mining optimisations respectively.

Initial engineering inputs have been received in line with schedule, and scenario analysis is currently in progress to investigate a range of production and expansion cases with the objective of optimising Project economics. This work is on track for completion by the end of March 2023 at which point the Company's objective is to define a single go-forward position for a refocused DFS.

Key areas of focus for the optimisation studies include:

Process Plant

The process plant remains the largest capital-cost element for the proposed Project development. With increasing production capacity, economies of scale benefits have been explored to reduce capital intensity and enhance Project economics. The studies have identified key economies of scale benefits can be realised through up-scaling of the primary crushing facility, use of alternative comminution equipment such as SAG mills or VRMs, and downstream optimisations in fine grinding.

The use of dry magnetic separation after grinding has also been introduced to the studies with the objective of rejecting gangue/waste material early in the process flow sheet, with potential downstream plant scaling and water demand benefits.

Tailings storage facilities (TSF) are also the subject of optimisation studies with material increases in TSF capacity to suit increased production over the life of the mine and in line with increased production assumptions. Additionally, optimisation with respect to water recovery are ongoing with the use of thickened tailings under appraisal. Thickened tailings increases the amount of water recovered prior to tailings disposal, therefore reducing water demand using additional filtration. The economic assessment of this optimisation study is ongoing.

Non-Process Infrastructure (NPI)

Site infrastructure requirements outside of the process plant also increases in scale with increasing production. Engineering consultants GHD are assessing site accommodation, workshops, roads, rail and transport elements, along with water pipeline and borefield design and capital estimates.

All NPI related class 5 estimates have now been received, on time and within budget. Major study elements have been escalated to Class 4 (higher accuracy) engineering estimates, which are progressing to plan.

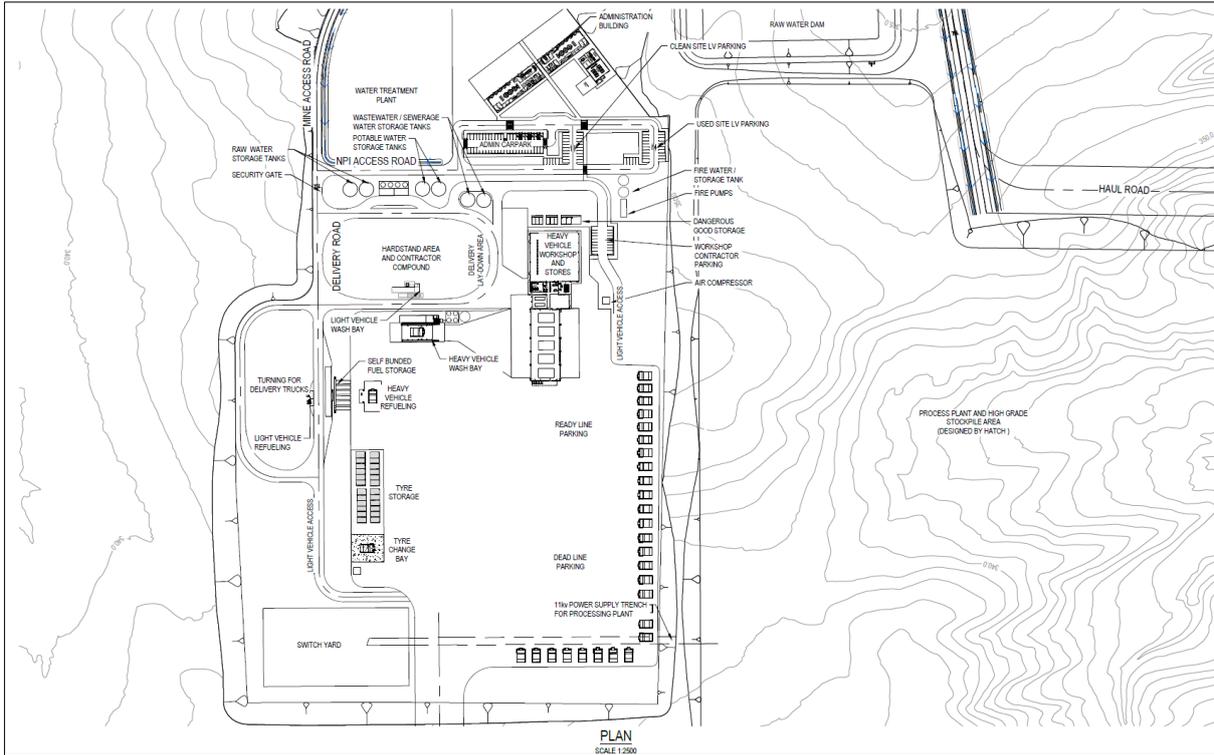


Figure 2. Non-Process Infrastructure - Workshops, administration and hardstand - general arrangements

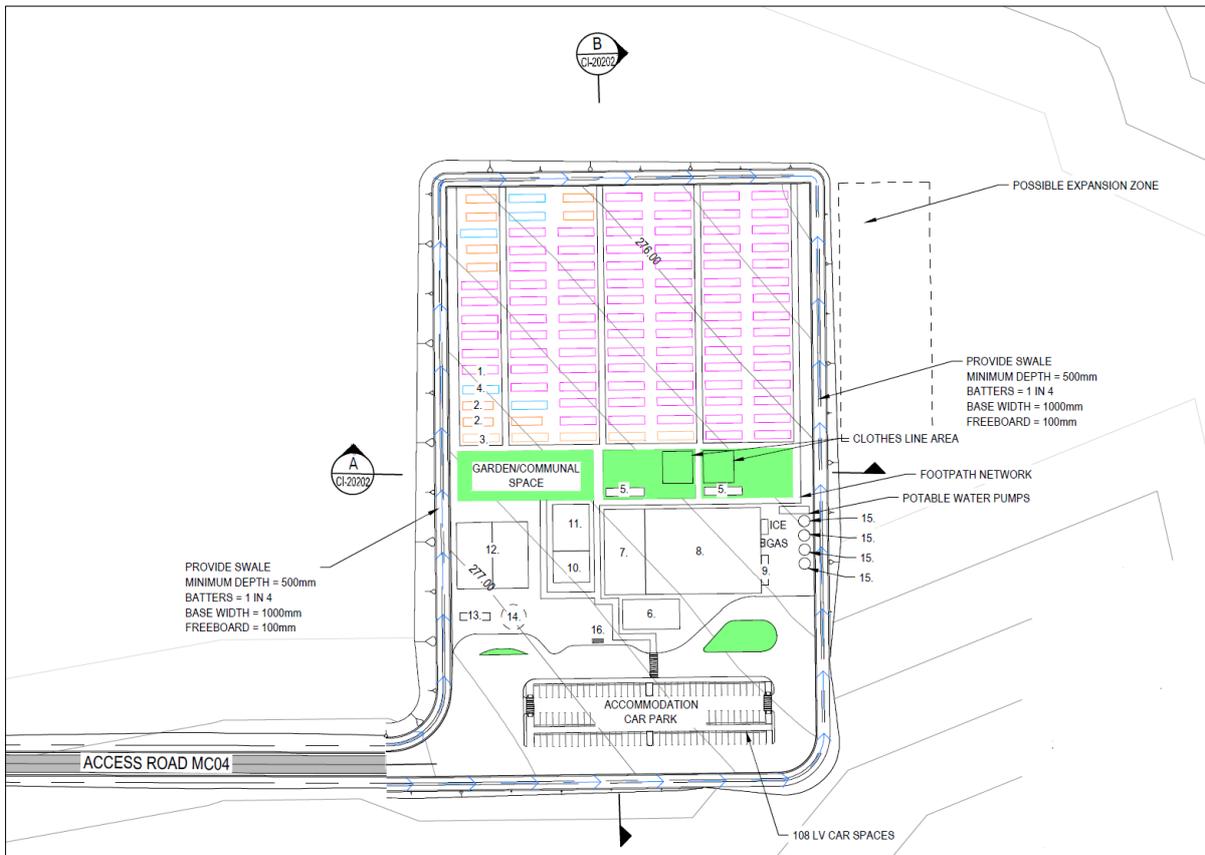


Figure 3. Accommodation/Site Camp layout for expanded Project scale configuration.

Power studies are currently being completed with initial class 5 level of accuracy estimates received for the construction of a high-capacity, high-voltage (HV) powerline to service initial and expanded production scenarios. The Company is working closely with South Australian electricity network provider ElectraNet, who have confirmed that there will be sufficient capacity at the proposed Bunday Substation transmission connection point to meet the Project's forecast needs. Further work to assess transmission line alignment and offtake opportunities is underway to define the preferred arrangement for this element of the optimisation studies.

Mining Studies

Mining consultants AMC are currently completing mine designs and associated schedules for a base case production scenario of 5 Mtpa dry concentrate. This study will provide a series of key assumptions, including production rates, mining methodology, stockpiling, mining bench height and indicative head grade and dilution characteristics for the refocused Definitive Feasibility Study (DFS).

In parallel to this work, MGT is assessing the potential impact of a revised Iron Peak Resource and the potential to incorporate selective mining techniques to improve plant feed grade. Selective mining increases mining costs as a result of using smaller equipment and mining more material for the same plant feed rate, counterbalanced by lower process plant capital and operating costs.

Transport

The Company engaged with several rail and port operators during the period as it continues to evaluate and de-risk transport and shipping options for the Project.

Peer Reviews

All Project engineering studies to date have been completed by top-tier engineering consultancies with international magnetite and large infrastructure development expertise. Given the increasing scale of the Project, and to enhance quality and confidence in the outcomes of the various studies, the Company has engaged a number of external reviewers to validate and benchmark engineering outputs and assumptions relating to plant and infrastructure design and Project execution.

During the quarter, the Company engaged specialists with extensive experience in magnetite processing flow sheet design and plant development to review the proposed scalable plant configuration with positive results. The specialists noted no fatal flaws and provided optimisation recommendations which are now being explored and incorporated as part of the continuing optimisation studies⁶.

'Value in Use' Product Market Analysis

During the quarter, MGT engaged independent iron ore market specialists to price Razorback's expected high-grade concentrate products. The outcomes of the assessment indicate that beyond the additional iron credits (premiums) received for our products, several additional 'Value in Use' pricing assumptions can validly be applied, further enhancing the value per tonne of concentrate.

This work is particularly beneficial in providing the Company indicative market attractiveness of our proposed Razorback concentrate products and how they will potentially enter the regional iron and steelmaking market. This enables Project economics to be optimised with respect to product mix and customer targeting as well as positioning the Project with respect to supplying forecast DRI concentrate and pellet demand.

Environmental Assessments & Regulatory Approvals

A longitudinal study into the characterisation of regional baseline groundwater and surface water conditions was completed during the December quarter, with reporting due in the current period. This work included an expanded assessment of regional aquifer properties. Infrastructure corridor targeted ecology assessment field work, which commenced in the preceding quarter, was also completed.

Native Title & Cultural Heritage

A formal request was made to the Project's single native title claimant group, the Ngadjuri Nation, to commence negotiations on a partnering agreement as a process to develop a strong, resilient and future-looking relationship that will underpin upcoming formal Native Title negotiations. A positive response was received, confirming a clear willingness by the Ngadjuri to engage in the development of a partnering agreement, with planning for the first meeting well advanced.

An ethnographic study of the Razorback region was commissioned following the completion of earlier archaeological and anthropological field surveys. A field-based ethnographic survey was undertaken in December with senior Traditional Owners, and final reporting is scheduled for completion in the current period.



Figure 4. Razorback Ethnographic Surveys with Ngadjuri Nation - Razorback West

Engagement & Land Access

Engagement with stakeholders remained a key priority and focus for the quarter, with the following actions undertaken:

- continuing engagement with the Department of Energy and Mining as the lead regulator for project approvals
- collaboration with the South Australian Government on the Strategic Hydrogeological Framework project for the Braemar region, which aims to identify further opportunities for groundwater development in support of the mining sector
- early engagement with local government representatives
- ongoing negotiations for priority land access requirements
- meetings with community representatives at the official opening of the Yunta Race Club's new facilities, for which Magnetite Mines was a proud sponsor.

ENVIRONMENTAL, SOCIAL & GOVERNANCE

Magnetite Mines continues to develop Razorback with a clear focus on sustainability and is committed to developing a leading ESG approach that is aligned with both the Company's values, and the scale and significance of the Project.

In this quarter, work proceeded on the development of a formal sustainability framework that will drive the company's decision-making and the identification of value-creating opportunities, partnerships and performance. Principal project sustainability programs specific to this quarter include:

- assessment of thickened tailings optionality to improve water recovery and reduce water consumption;
- investigation into alternative front-end processing opportunities that may deliver material water use reductions;
- commissioning an assessment of the carbon reduction benefits associated with Razorback concentrates entering the market; and
- continued focus on ethical negotiation practices with land owners and Native Title stakeholders.

OTHER EXPLORATION ACTIVITIES

Muster Dam Resource Update

The Company updated the Muster Dam Mineral Resource estimate to JORC 2012 standards and guidelines, confirming a 1.55 billion tonne Resource (Inferred classification)⁷. The Muster Dam tenement, which contained a historic Resource stated under JORC 2004 standards and guidelines, was acquired by the Company in early 2021 following a competitive bid process.

Following formal tenement grant, the Company acquired all remaining physical and digital assets for a nominal fee from the previous tenement holder, enabling a re-estimation of the Resource to contemporary standards using an updated estimation methodology. The Mineral Resource Estimate by Widenbar Associates Pty Ltd used datasets validated by the Company's in-house geological team.

Given the optimisation studies focus on the Razorback Project, the Muster Dam Project is under desktop review with limited on-ground exploration activities planned for the quarter. Short term works include stakeholder access negotiations and further desktop reviews of mineral prospectivity. The Muster Dam

Project represents a significant additional resource for the Company, and a logical future expansion opportunity beyond Razorback.

Table 1. Summary of Muster Dam Inferred Mineral Resource Estimate**

Muster Dam Inferred Resource								
Material	Tonnes (Mt)	Density	Mass Rec %	Fe %	SiO ₂ %	Al ₂ O ₃	P %	LOI %
Fresh	1,370	3.0	15.3	18.8	49.5	8.8	0.2	2.7
Oxide	180	2.9	14.9	18.2	49.9	8.9	0.2	3.0
Total	1,550	3.0	15.2	18.7	49.6	8.8	0.2	2.8

*All figures quoted are based on a 10% Mass Recovery cutoff, figures rounded to 3 significant figures where appropriate. Tonnages and grades presented above are estimates of in-situ rock characteristics.

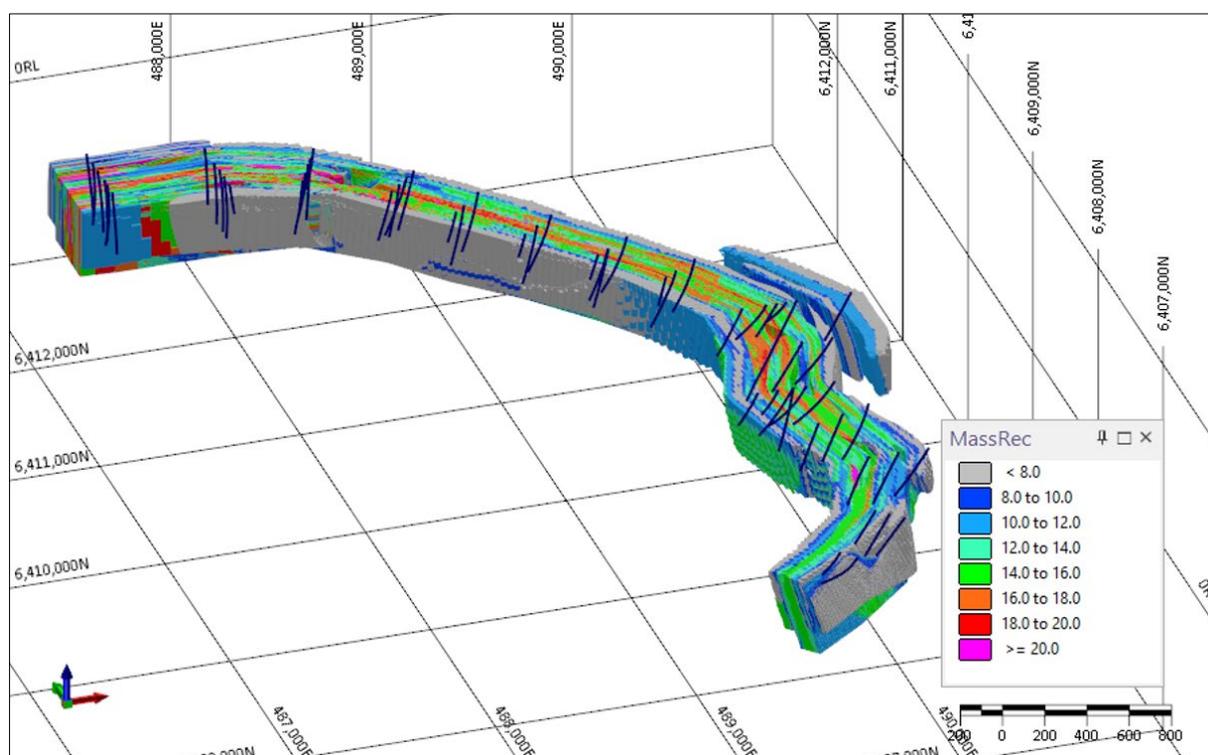


Figure 5. Muster Dam block model with DTR% (Mass Recovery) distribution

Global Mineral Resources & Ore Reserves

As a result of the addition of the Muster Dam Resource Estimate, the Company's combined global resource estimate has increased to 5.74 billion tonnes of iron ore (Table 2).

Table 2. Magnetite Mines Global Mineral Resources & Ore Reserves

Razorback Iron Ore Project*1,A								
Classification	Tonnes (Mt)	Mass Rec %	Fe %	SiO₂ %	Al₂O₃ %	P %	LOI %	Magnetite %
Indicated	1,500	15.6	18.5	47.9	8.0	0.18	5.4	15.0
Inferred	1,500	16.0	18.0	48.3	8.2	0.18	5.5	15.9
Sub-total	3,000	15.8	18.2	48.1	8.1	0.18	5.5	15.5

Results presented at 11% eDTR cutoff

Ironback Hill*2,B								
Classification	Tonnes (Mt)	Mass Rec %	Fe %	SiO₂ %	Al₂O₃ %	P %	LOI %	Magnetite %
Inferred	1,187	-	23.2	44.4	7.2	0.21	5.4	12.9

No cut-off applied to results

Muster Dam Iron Ore Project^c								
Classification	Tonnes (Mt)	Mass Rec %	Fe %	SiO₂ %	Al₂O₃ %	P %	LOI %	Magnetite %
Inferred	1,550	15.2	18.7	49.6	8.8	0.2	2.8	-

Results presented at 10% eDTR cutoff

Global Mineral Resource Estimate*								
Classification	Tonnes (Mt)	Mass Rec %	Fe %	SiO₂ %	Al₂O₃ %	P %	LOI %	Magnetite %
Inferred and Indicated	5,740	-	19.4	47.7	8.1	0.2	4.7	-

Results presented as weighted averages of items A, B and C

Razorback Iron Ore Project Ore Reserve*3			
Classification	Ore (Mt)	Mass Rec %	Concentrate (Mt)
Probable	472.7	14.5	68.5

Ore Reserves are a sub-set of Razorback Iron Ore Project Indicated Mineral Resource Estimate

*The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements below, and in the case of estimates of Mineral Resources and Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements. Tonnages and grades presented above are estimates of in-situ rock characteristics.

Tenement Acquisition

The Company acquired the Muster Dam South and Manunda North tenements during the quarter. Both tenements were acquired through standard exploration licence application lodgement and were formally granted in the 29 September 2022.

The Muster Dam South tenement was acquired for its iron, copper and gold mineralisation prospectivity, and its location adjacent to the Company's Muster Dam Project tenement (EL6746). The Manunda North tenement was acquired for its iron, copper and gold mineralisation prospectivity, and its location adjacent to the Razorback Project.

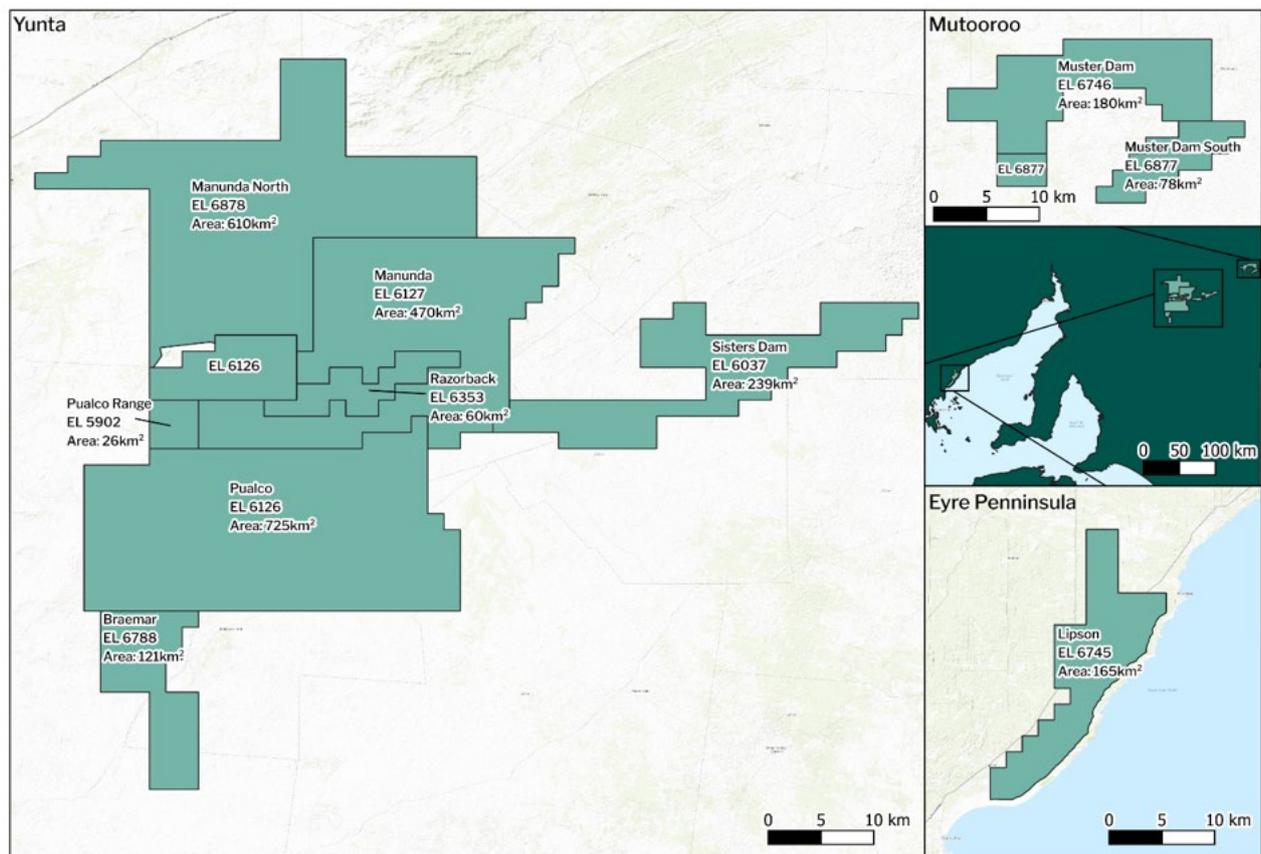


Figure 6. MGT tenement holding in South Australia

CORPORATE

Cash position

The Company held \$9.6 million in cash and cash equivalents at quarter end. Quarterly operations, exploration and evaluation cash flows reduced from \$6.6 million in the September quarter to \$3.1 million in the December quarter due primarily to the cessation of cost-intensive engineering activities associated with the previous Definitive Feasibility Study for a small-scale project. As a result, the Company has adequate funding to complete the optimisation studies described above, which are substantially less cost intensive by nature.

Exploration & evaluation expenditure

Exploration and evaluation expenditure during the quarter totalled \$2.0 million, comprising costs incurred in relation to the completion of Project optimisation studies inclusive of the following activities:

- Study preparation and planning, including engagement of key consultants
- Geological field work – stakeholder engagement, sample preparation and storage
- Mineral Resource estimate update for the Muster Dam deposit
- Drilling assay and metallurgical testwork and associated overheads at the Iron Peak deposit
- Metallurgical testwork and consultancy, and processing peer review

No exploration drilling activities occurred during the quarter. Rehabilitation for previous drilling activities and statutory reporting proceeded in line with SA Department of Mines & Energy requirements.

Mine production and development expenditure

None of the Company's projects are at a production or development stage and consequently there was no expenditure incurred during the quarter relating to production or development.

Project Financing

The Company continued to advance discussions with a wide range of potential strategic partners, including iron ore producers, steel producers, trading houses, project financiers and institutional investors.

A virtual data room (VDR) has been established to ensure potential partners have secure access to detailed financial information required to complete due diligence prior to investing. Companies invited to access the VDR are first required to sign non-disclosure agreements (NDAs) which include various undertakings including share-trading standstill clauses. Several parties have already been provided access to the VDR and others are currently negotiating NDAs with the Company to enable access.

The recent increase in investor and industry interest in the Project, both domestically and internationally, supports the Company's view that the current and forecast increase in demand for high-grade iron ore products for the decarbonising iron and steelmaking industry, is sufficiently strong to outweigh near-term macroeconomic volatility.

Annual General Meeting (AGM)

On 23 November 2022, the Company held its AGM at Sydney Town Hall and virtually through the Computershare Meeting Platform.

Shareholders voted to:

- Elect Directors, Simon Wandke, Paul White and Jim McKerlie
- Re-elect Mark Eames
- Approve a new Employee Incentive Plan
- Approve the issue of CEO Performance Rights and Options
- Grant Director Options to some, but not all, Directors
- Appoint new Company Auditors
- Increase the Directors' fee pool
- Approve a 50-into-1 share consolidation
- Approve an additional 10% share placement capacity

Shareholders provided positive feedback to directors by strongly endorsing director appointments, CEO remuneration and employee incentive plans.

The authorisation sought from shareholders to issue \$20,000 worth of director options to each of the five non-executive directors, in recognition of additional duties undertaken during the previous financial year, was not endorsed for all Directors, with two of the five individual Director Option resolutions not carried. The Board unanimously agreed an appropriate response to this outcome, with the three Directors for whom the individual resolutions were carried not electing to accept the grant of options. Accordingly, none of the five Directors received Director Options for which approval was sought at the AGM.

The Company is committed to engaging with shareholders through its investor relations program and will continue to facilitate effective two-way communication with investors, seek ways to improve alignment and ensure the Board serves shareholders' interests.

Share consolidation

A 50-into-1 share consolidation was approved at the AGM (70.3%) and implemented on 9 December 2022, in accordance with the timetable outlined in the AGM Notice of Meeting.

Unmarketable Parcel Facility

On 21 December 2022, Magnetite Mines established an "opt-out" unmarketable parcel sale facility for shareholders who hold fully paid ordinary shares in the Company valued at less than \$500. In accordance with the Company's Constitution and ASX Listing Rules, a Share Retention Form was sent to all shareholders holding an Unmarketable Parcel of shares as at 21 December 2022.

Any shareholder with an Unmarketable Parcel wishing to retain their shareholding is required, by Thursday 9 February 2023, to either:

1. give the Company written notice by returning the Share Retention Form; or
2. acquire additional shares such that their holdings are greater than an Unmarketable Parcel, otherwise, their shares will be sold under the Facility.

The Company has implemented the Facility to reduce administrative costs associated with producing and distributing shareholder communications, as well as registry fees related to maintaining small holdings on the register. These costs and fees are disproportionately high relative to the value of small holdings. The Facility also assists holders with a small number of shares who may find it difficult or expensive to dispose of them otherwise.

Retirement of Malcolm Randall, Non-executive Director

On 23 November 2022, long-serving director Malcolm (Mal) Randall stepped down as Non-executive Director after 16 years of service to the Company. All directors wish to thank Mr Randall for his advice, time and commitment to the Company.

Appointment of Dr Carmen Letton, Non-executive Director

Subsequent to the quarter, the Board appointed mining engineer and mineral economist Dr Carmen Letton as a Non-executive Director (NED) on 25 January 2023. Dr Letton is a mining engineer and mineral economist with over 35 years' global mining experience, holding senior leadership positions in operations, engineering, asset and business development and corporate strategy. She has particular technical expertise in open pit and underground mines across multiple commodities and the many stages of asset development.

Most recently, Dr Letton was Head of Resource Development and Life of Asset Planning (Asset Strategy Development) at Anglo American, having previously worked at BHP Billiton, Rio Tinto, Newmont, Newcrest and several other international mining companies.

Dr Letton was selected as one of the "100 Global Inspirational Women in Mining" in 2016 and 2018 by Women in Mining UK. She holds a PhD Mineral Economics from the University of Queensland and a Bachelor of Engineering (Hon) (Mining) from the West Australian School of Mines.

Investor Relations

During the quarter, the Company participated in the following investor and industry events with strong interest experienced from conference participants and industry parties seeking new sources of high-grade iron ore supply to support the global decarbonisation agenda:

- 121 Mining Investment Conference, Sydney (13 - 14 October 2022)
- International Mining and Resources Conference (IMARC), Sydney (31 October - 2 November 2022)
- Noosa Mining Conference (9 - 11 November 2022)
- Mines and Money, London (29 November - 1 December 2022)

Tenement holdings

The following tenements held by Magnetite Mines Limited (and its controlled entities) as at 31 December 2022:

Tenement/ Project Name	Tenement Number	Interest at Beginning of Quarter	Interest at End of Quarter	Acquired during the Quarter	Disposed during the Quarter	Joint Venture Partner/Farm -In Party
SOUTH AUSTRALIA						
PUALCO	EL6126	100%	100%	-	-	-
RED DRAGON	EL6127	100%	100%	-	-	-
RAZORBACK RIDGE	EL6353	100%	100%	-	-	-
DRAGON'S TAIL	EL5902	100%	100%	-	-	-
SISTER'S DAM	EL6037	100%	100%	-	-	-
BRAEMAR	EL6788	100%	100%	-	-	-
LIPSON	EL6745	100%	100%	-	-	-
MANUNDA NORTH*	EL6878	0%	100%	100%	-	-
MUSTER DAM SOUTH*	EL6746	0%	100%	100%	-	-

*Manunda North (EL6878) and Muster Dam South (EL6746) tenements were granted 29/11/2022 however formal notification was not received during the previous quarterly period.

This announcement has been authorised for release to the market by the Board.

For further information contact:

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General Manager - External Affairs
+61 8 8427 0516

References

1. ASX Announcement - 13/09/22: MGT Transforming To Meet Growing High-Grade Market
2. ASX Announcement - 24/10/22: MGT First Quarter Activities Report
3. ASX Announcement – 16/01/23: Razorback Project Optimisation Studies
4. “Making Net Zero Steel Possible” ([www. https://missionpossiblepartnership.org](https://missionpossiblepartnership.org))
5. www.energymining.sa.gov.au/industry/modern-energy/hydrogen-in-south-australia
6. ASX Announcement – 21/12/22: Peer Review Confirms Razorback Process Plant Design
7. ASX Announcement – 03/11/22: Muster Dam Mineral Resource Estimate

Appendix 5B

Mining exploration entity quarterly cash flow report

Name of entity

MAGNETITE MINES LIMITED

ABN

34 108 102 432

Quarter ended ("current quarter")

31 December 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(718)	(1,352)
(e) administration and corporate costs	(414)	(974)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	89	136
1.5 Interest and other costs of finance paid	(74)	(99)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (fuel tax credit, royalty income)	44	47
1.9 Net cash from / (used in) operating activities	(1,073)	(2,242)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(7)	(14)
(d) exploration & evaluation	(1,978)	(7,375)
(e) investments	-	-
(f) other non-current assets	-	-

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	3
	(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 (security bond)*	-	-
2.6	Net cash from / (used in) investing activities	(1,985)	(7,386)
*Relates to reallocation of payment for security bonds from section 1.8 to 2.5			

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	-	(37)
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(86)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	(123)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	12,654	19,347
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,073)	(2,242)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,985)	(7,386)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	(123)

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	9,596	9,596

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	477	1,334
5.2	Call deposits	9,119	11,320
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)	9,596	12,654

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

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(1,073)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(1,978)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(3,051)
8.4 Cash and cash equivalents at quarter end (item 4.6)	9,596
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	9,596
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	3.14
<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:	
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:	

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:

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 January 2023

Authorised by: This report has been authorised for release to the market by the board.

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.