

## QUARTERLY ACTIVITIES REPORT

### Quarter Ended 31 December 2023

Lotus Resources Limited (ASX: LOT, OTCQB: LTSRF) (Lotus or the Company) is pleased to provide its quarterly activities report for the quarter ended 31 December 2023.

#### HIGHLIGHTS

- **Implementation of the merger with A-Cap was completed, creating a leading uranium player with significant scale and resources**
  - 361.7m new Lotus shares were issued to previous A-Cap shareholders and optionholders and integration of A-Cap management teams into Lotus has been completed.
  - Mineral Resources are 241Mlbs U<sub>3</sub>O<sub>8</sub> (100% basis) at Kayelekera and Letlhakane.
  - Lotus will leverage its proven uranium expertise in developing Letlhakane, one of the world's largest undeveloped uranium resources, located in Botswana, one of the world's top mining jurisdictions.
- **Lotus released its 2023 Sustainability Report**
  - The Report was prepared with reference to the Global Reporting Initiative (GRI) Sustainability Standards.
  - This step change in reporting reflects Lotus's ongoing commitment to transparency, accountability and continuous improvement in ESG performance.
- **Finalising preliminary work programs to allow an optimal restart of production at Kayelekera.**
  - The current uranium pricing and potential undersupply in the medium term are driving a revised timeline for the Kayelekera restart.
  - Lotus plans to engage a debt adviser to test the market for debt for Kayelekera.
- **The market fundamentals are the strongest seen in well over a decade.**
  - A uranium spot price of over US\$100/lb and increases in the long-term price.
  - Production constraints, including the recent commentary around reduced production profiles from Kazatomprom for 2024 and 2025, only provide further upward pressure on the price.
  - Strong legislative support for new production from western facilities on the back of a potential US ban of Russian uranium imports currently in front of the Senate.
- **Closing cash balance of \$12.4M (unaudited), exclusive of restricted cash of \$14.7M**
  - Cash received from A-Cap of \$1.2m.
  - Current cash will fund Lotus to complete currently planned work activities.

## MERGER WITH A-CAP IMPLEMENTED

In July 2023, Lotus and A-Cap announced<sup>1</sup> an agreement to merge via a Scheme of Arrangement. The merger creates a leading African-focused uranium player with significant scale and resources by combining a production-ready asset, Kayelekera, with a future large-scale growth asset, Letlhakane, located in Botswana, one of the world's top mining jurisdictions.

Implementation of the Merger was completed during the quarter. Lotus now holds Mineral Resources of 241Mlbs U<sub>3</sub>O<sub>8</sub> (100% basis), increasing Lotus's Mineral Resources almost five-fold. 361.7m new Lotus shares were issued to previous A-Cap shareholders and optionholders.

## LETLHAKANE DEVELOPMENT

Letlhakane is a large-scale uranium resource with potential higher grade zones as identified in Lotus's due diligence work. Lotus aims to determine if a more effective processing route can be identified to improve the 2015 Feasibility Study project economics, which had envisaged a heap leach process.

To test this, Lotus is planning the following work programs:

- Mineral Resource remodelling incorporating tighter modelling constraints and shorter search parameters, aiming to reduce the amount of 'smoothing' that has occurred within the higher grade zones of the model. Resource update planned for 2Q 2024.
- Preparation of a preliminary geometallurgical model to help optimise the mine plan based on acid consumption and uranium mineralogy in addition to uranium grade.
- Undertake a preliminary mining study focused on pit optimisation work on the updated resource model to define the most economic pits within the project area.
- Use the updated model and optimised pit shells to design an infill drill program that will target the most economic parts of the resource and convert these where required into M&I status.
- Continue with the ore beneficiation test work program initially planned by A-Cap to determine the potential for upgrading the ore prior to feeding to the main processing plant. Test work reporting planned for 2Q 2024.
  - This work will include the ore sorting concept that has been so successful at Kayelekera, but will also consider more traditional upgrading methods such as screening, cycloning, gravity and density.
- Consider the preferred processing flowsheet based on resource grades, the beneficiation results and overall grade / tonnage parameters.
- Prepare a Scoping Study, or Preliminary Economic Assessment (PEA), based on the mine planning and beneficiation test results and a selected processing route.
- Initiate the infill drill program to upgrade the resource. The infill drilling will most probably be undertaken over a number of seasons due to the expected large scale, with commencement of this program subject to funding.

The Scoping Study which will incorporate the majority of the work programs described above is targeted for completion in late 2024.

<sup>1</sup> See detail in ASX announcement 13 July 2023

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## 2023 SUSTAINABILITY REPORT RELEASED

Lotus issued its third annual Sustainability Report. It provides a summary of Lotus's approach to creating sustainable value for all stakeholders and includes an overview of ESG management systems and ESG performance of the Kayelekera Uranium Project in Malawi, and corporate activities in Perth, WA.

Importantly, a new milestone for the Company has been achieved, with the Report being prepared with reference to the Global Reporting Initiative (GRI) Sustainability Standards. This step change in reporting reflects Lotus' ongoing commitment to transparency, accountability and continuous improvement in ESG performance.

Additionally in line with global expectations, Lotus is also continuing to develop its climate mitigation strategy for the recommencement of mining at Kayelekera, and the Report provides an update of the Company's progress towards its alignment with the Task Force on Climate-related Financial Disclosures (TCFD) reporting framework.

During the quarter, Lotus participated in several potential customer ESG performance evaluations. This approach is becoming more prevalent, as discussions with global utilities for future offtake have indicated that ESG credentials is a key consideration for signing offtake contracts, especially with European utilities.

The Company prepared a response to S&P Global's ESG questionnaire during the December quarter. S&P Global will assess the information provided and Lotus will be given a rating out of 100, which will be publicly available on S&P's website.

Following implementation of the Merger, the Company is now evaluating A-Cap's ESG performance, aligning ESG management systems and reporting frameworks across the merged entity.

For more information about Lotus's sustainability initiatives, see:

<https://lotusresources.com.au/environmental-social-governance/>

## KAYELEKERA MINE DEVELOPMENT AGREEMENT

The Company continued negotiations with the Government of Malawi (GoM) on the MDA for Kayelekera. This Agreement will set the fiscal regime in which the Project will operate and is one of the inputs the Company is seeking prior to making its Final Investment Decision (FID) for the restart of Kayelekera.

During the quarter, Managing Director Keith Bowes travelled to Malawi to meet with the Minister of Mines, the Minister of Finance and Attorney-General to progress the MDA, and to attend a seating of the Parliamentary Sub-Committee for Natural Resources and Climate Change. A meeting was also held with international industry heads and representatives of the US State Department, UK, EU and Australian High Commissioner and representatives from the World Bank.

Good progress was made on several key discussion points, with a small number of elements still requiring further clarification and discussion. The GoM representatives continue to express

eagerness to finalise the MDA as soon as possible, recognising the importance of mining to the future growth of the Malawian economy and the servicing of the IMF credit facility.

## **OFFTAKE DISCUSSIONS**

The Company continues its discussions with multiple nuclear utilities regarding potential offtake agreements, including participating in multiple formal Request for Proposals (RFPs) and undertaking off-market discussions with a number of these utilities and other off-takers.

Lotus attended the Nuclear Energy Institute (NEI) International Uranium Fuel Seminar in Charlotte, USA, meeting with numerous US utilities and other fuel buyers. There was a significant increase in the number of utility engagements compared to last year and the discussions have indicated multiple opportunities to receive RFPs through early 2024.

The Company is finding utilities are more appreciative of what is required to encourage companies such as Lotus to commit to restarting their production and recognise that the pricing terms proposed align with this. The pricing mechanisms now believed to have been accepted by some utilities include elevated floors and ceilings with information being that ceiling prices exceed US\$100/lb, with escalation provisions also included.

## **KAYELEKERA POWER SUPPLY AGREEMENT**

A Power Implementation Agreement along with the Power Supply Agreement with the Electricity Supply Commission of Malawi (ESCOM) will be required to facilitate the connection of the Kayelekera site to the Malawi national grid and allow the Company access to lower cost power, a critical component of the reduced operating costs reported in the Definitive Feasibility Study.

The Malawian grid power, sourced predominantly from hydro, is considered reliable and “green” in nature and ensuring this source as a major component of the power mix fits with Lotus’s low carbon strategies.

During the quarter, a memorandum of understanding (MOU) that outlines the strategy, responsibilities and tariff structure to allow the Company to recover the upfront capital expenditure was prepared and is currently being discussed internally by ESCOM and the necessary government representatives.

At the same time the Company, working with ESCOM, advanced the work required to finalise the transmission line route as well as engaging with expert consultants regarding how to address any environmental and social aspects that the transmission line construction may result in.

The necessary design criteria and standards, as well as the capacity information, was also received by our consulting engineers which will allow them to start the design work on the substation upgrades and transmission line.

## SITE ACTIVITIES

General site activities associated with care and maintenance during the quarter remain focused on four main areas:

- Compliance with all regulatory requirements;
- Maintain the equipment on site so as to minimise restart costs;
- Completion of the repairs and upgrades to the areas impacted by the heavy rainfalls last wet season;
- Ensure security of the assets on site; and
- Management of water onsite to control the discharge of water to the environment in accordance with licence conditions.

## URANIUM MARKET UPDATE

The uranium spot price increased during the December quarter from a low of US\$69.00/lb to finish the quarter at US\$91.00/lb, a further 32% increase (following last quarter's 33% increase) and another multi-year high. The UxC Long-Term price increased by US\$7.00/lb to US\$68.00/lb over the quarter. Subsequent to quarter end, the spot price reached a peak of US\$106/lb on tight supply.

Sprott continued purchasing from the spot market, with purchases ramping up to 1,200,000lbs of U<sub>3</sub>O<sub>8</sub> in the quarter.

There has been further significant movement in the term markets, with 11 term contracts signed. Supply of U<sub>3</sub>O<sub>8</sub> in the 2024-28 period appears limited and utilities are coming back into the market strongly with ~160Mlbs U<sub>3</sub>O<sub>8</sub> traded in the term market in 2023, the first time in over a decade that the quantities purchased by the utilities matched their annual demand. There are indications that more utilities are expected to come into the market in early 2024, with the understanding that the buying for 2024 will not only cover their operating needs, but that building up of inventory levels will also take place.

News of nuclear power roll outs during the quarter included:

- Bangladesh officially received the first batch of uranium for its Rooppur Nuclear Power Plant (RNPP) to become the 33rd nuclear power-producing country in the world.
- Slovenské elektrárne announced that the new Mochovce Unit 3 has successfully completed a 144-hour demonstration run at full reactor power and been welcomed into their nuclear fleet. Unit 4's schedule follows about one or two years behind Unit 3.
- Bulgaria approved the construction of two nuclear reactors using American technology. The two new reactors, Kozloduy Units 7 & 8, will provide a total of 2,300 MW.
- Emirates Nuclear Energy Corp announced the completion of Unit 4 of the Barakah Nuclear Energy Plant. Once operational, Unit 4, the final unit of Barakah, will enable the plant to generate 25% of the UAE's electricity needs for the next 60 years.

In the USA, a number of bills have been passed or are in the process of being passed; these include the National Defence Authorisation Act that includes a provision for the Dept of Energy to prioritise activities to increase domestic production of LEU and HALEU (both reactor feed materials). In addition, the senate is considering legislation that will ban the importation of Russian uranium, and the US government has released a Request for Proposal (RFP) for the supply of enrichment services to help establish domestic supply.

COP28 announced that nuclear is now included in the Global Stocktake on decarbonisation, on the back of ~22 countries signing up to support a tripling of nuclear energy by 2050 to meet climate goals and ~120 companies signing up to the Net Zero Nuclear Industry Pledge.

The International Atomic Energy Agency (IAEA) has released its annual outlook for nuclear power in the coming decades, revising up its global growth projections for a third straight year. In both its high and low case scenarios, the IAEA now sees a quarter more nuclear energy capacity installed by 2050 than it did as recently as 2020, underscoring how a growing number of countries are looking to this clean and reliable energy source to address the challenges of energy security, climate change, and economic development.

This increased requirement combined with the current supply chain concerns, the geopolitical issues facing various parties and the strong nuclear reactor build-out plans, reactor life extensions and small modular reactors (SMR) progress, all point to higher demand for uranium in the future.

## **CORPORATE**

### **Cash position**

As at 31 December 2023, Lotus had cash of \$12.4M (unaudited), exclusive of restricted cash of \$14.7M (US\$10.0M) which forms cash collateral for the Kayelekera environmental bond.

The cash balance reduced by \$1M from the 30 September 2023 quarter, with approximately \$1.2M received from A-Cap during the quarter partly offsetting the quarterly expenditure. The majority of outflows related to Kayelekera site care and maintenance.

### **Payments to Related Parties**

Mr Grant Davey, who is a Non-Executive Director of the Company, is a Director and shareholder of Matador Capital Pty Ltd (Matador Capital).

The Company makes payments to Matador Capital under a Shared Services Agreement in which Matador Capital provides office space, general office services, bookkeeping services, company secretarial services, ESG consulting services and technical exploration and geological staff to the Company. The services provided by Matador Capital are recovered from the Company on a cost-plus basis (Dec quarter \$149,000).

The Company's Non-Executive Chairman, Mr Michael Bowen, is a partner of law firm, Thomson Geer. During the Dec quarter, the Company paid legal fees of \$125,000 to Thomson Geer for legal services.

Payments to all directors for executive and non-executive directors' fees in the quarter were \$219,000.

## TENEMENT INTERESTS

The Company's tenement interests as at 31 December 2023 are shown in Tables 1 and 2.

**Table 1. Tenement interests as at 31 December 2023 - Uranium**

Tenement	Ownership	Area km <sup>2</sup>	Registered Holder	Location
ML0152 - Kayelekera	85%	55.5	Lotus Africa Limited	Malawi
EL418 - Chilumba	85%	130	Lotus Africa Limited	Malawi
EL489 - Nthalire	85%	67.5	Lotus Africa Limited	Malawi
EL502 - Juma-Miwanga	85%	24.95	Lotus Africa Limited	Malawi
EL417 - Rukuru	85%	69.81	Lotus Africa Limited	Malawi
EL595 - Livingstonia	85%	5.64	Lotus Africa Limited	Malawi
EL583 - Livingstonia West	85%	17.42	Lotus Africa Limited	Malawi
PL 2482/2023	100%	119.66	A-Cap Botswana Pty Ltd	Botswana
ML 2016/16L	100%	131.18	A-Cap Botswana Pty Ltd	Botswana

**Table 2. Tenement interests as at 31 December 2023 – Wilconi Nickel / Cobalt project**

Tenement	Ownership	Area km <sup>2</sup>	Registered Holder	Location
M53/00034	55%	5.95	Kimba Resources Pty Ltd	Western Australia
M53/00041	55%	8.78	Kimba Resources Pty Ltd	Western Australia
M53/00052	55%	9.55	Kimba Resources Pty Ltd	Western Australia
M53/00131	55%	8.36	Kimba Resources Pty Ltd	Western Australia
M53/00188	55%	8.61	Kimba Resources Pty Ltd	Western Australia
M53/0024	55%	9.55	Kimba Resources Pty Ltd	Western Australia
M53/0026	55%	8.18	Matilda Operations Pty Ltd	Western Australia
M53/0049	55%	5.40	Kimba Resources Pty Ltd	Western Australia
M53/0071	55%	0.18	Matilda Operations Pty Ltd	Western Australia
M53/0092	55%	7.61	Kimba Resources Pty Ltd	Western Australia
M53/0139	55%	2.90	Kimba Resources Pty Ltd	Western Australia
M53/1098	55%	6.00	Kimba Resources Pty Ltd	Western Australia
R53/0001	55%	1.32	Kimba Resources Pty Ltd	Western Australia
E53/2053	55%	12.27	Kimba Resources Pty Ltd	Western Australia
E53/2054	55%	9.92	Kimba Resources Pty Ltd	Western Australia
E53/1803	55%	91.63	Kimba Resources Pty Ltd	Western Australia
E53/1864	55%	163.70	Kimba Resources Pty Ltd	Western Australia
E53/2048	55%	70.56	Kimba Resources Pty Ltd	Western Australia
E53/2050	55%	22.48	Kimba Resources Pty Ltd	Western Australia
E53/2076	55%	16.92	Kimba Resources Pty Ltd	Western Australia
E53/2077	55%	52.94	Kimba Resources Pty Ltd	Western Australia
E53/2078	55%	69.31	Kimba Resources Pty Ltd	Western Australia
E53/2079	55%	90.06	Kimba Resources Pty Ltd	Western Australia
E53/2080	55%	12.26	Kimba Resources Pty Ltd	Western Australia
E53/2081	55%	14.35	Kimba Resources Pty Ltd	Western Australia
E53/2082	55%	89.26	Kimba Resources Pty Ltd	Western Australia
E53/2083	55%	6.13	Kimba Resources Pty Ltd	Western Australia

This Quarterly Report has been authorised for release by the Lotus board of directors.

For more information, visit [www.lotusresources.com.au](http://www.lotusresources.com.au)

## REFERENCE TO PREVIOUS ASX ANNOUNCEMENTS

In relation to information in this announcement that relates to previously reported exploration results, the dates of which are referenced, Lotus confirms that that it is not aware of any new information or data that materially affects the information included in that announcement.

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## ABOUT LOTUS

Lotus is a leading Africa-focused advanced uranium player with significant scale and resources. Lotus is focused on creating value for its shareholders, its customers and the communities in which it operates, working with local communities to provide meaningful, lasting impact. Lotus is **focused on our future**. Lotus owns an 85% interest in the Kayelekera Uranium Project in Malawi, and 100% of the Letlhakane Uranium Project in Botswana.

The Kayelekera Project hosts a current resource of 51.1Mlbs U<sub>3</sub>O<sub>8</sub>, and historically produced ~11Mlb of uranium between 2009 and 2014. The Company completed a positive Restart Study<sup>2</sup> which has determined an Ore Reserve of 23Mlbs U<sub>3</sub>O<sub>8</sub> and demonstrated that Kayelekera can support a viable operation. The Letlhakane Project hosts a current resource of 190.4Mlbs U<sub>3</sub>O<sub>8</sub>.

### Lotus Mineral Resource Inventory – June 2022<sup>3,4,5,6</sup>

Project	Category	Mt	Grade (U <sub>3</sub> O <sub>8</sub> ppm)	U <sub>3</sub> O <sub>8</sub> (M kg)	U <sub>3</sub> O <sub>8</sub> (M lbs)
Kayelekera	Measured	0.9	830	0.7	1.6
Kayelekera	Measured – RoM Stockpile <sup>7</sup>	1.6	760	1.2	2.6
Kayelekera	Indicated	29.3	510	15.1	33.2
Kayelekera	Inferred	8.3	410	3.4	7.4
Kayelekera	Total	40.1	510	20.4	44.8
Kayelekera	Inferred – LG Stockpiles <sup>8</sup>	2.24	290	0.7	1.5
<b>Kayelekera</b>	<b>Total – Kayelekera</b>	<b>42.5</b>	<b>500</b>	<b>21.1</b>	<b>46.3</b>
Letlhakane	Indicated	59.2	323	19.1	42.2
Letlhakane	Inferred	209.7	321	67.2	148.1
<b>Letlhakane</b>	<b>Total – Letlhakane</b>	<b>268.9</b>	<b>321</b>	<b>86.3</b>	<b>190.4</b>
Livingstonia	Inferred	6.9	320	2.2	4.8
<b>Livingstonia</b>	<b>Total – Livingstonia</b>	<b>6.9</b>	<b>320</b>	<b>2.2</b>	<b>4.8</b>
<b>Total</b>	<b>All Uranium Resources</b>	<b>318.3</b>	<b>344</b>	<b>109.6</b>	<b>241.5</b>

<sup>2</sup> See ASX announcement dated 11 August 2022 for information on the Definitive Feasibility Study.

<sup>3</sup> See ASX announcement dated 15 February 2022 for information on the Kayelekera mineral resource estimate.

<sup>4</sup> Letlhakane Mineral Resources reported at 200ppm cut-off grade; See ASX announcement dated 13 July 2023 for information on the Letlhakane mineral resource estimate.

<sup>5</sup> See ASX announcement dated 6 June 2022 for information on the Livingstonia mineral resource estimate.

<sup>6</sup> Lotus confirms that it is not aware of any new information or data that materially affects the information included in the respective resource announcements of 15 February 2022, 6 June 2022, and 13 July 2023 and that all material assumptions and technical parameters underpinning the Mineral Resource Estimates in those announcements continue to apply and have not materially changed.

<sup>7</sup> RoM stockpile has been mined and is located near mill facility

<sup>8</sup> Low-grade stockpiles have been mined and placed on the medium-grade stockpile and are considered potentially feasible for blending or beneficiation, with initial studies to assess this optionality already completed.

### Lotus Ore Reserve Inventory – July 2022<sup>9</sup>

Project	Category	Mt	Grade (U <sub>3</sub> O <sub>8</sub> ppm)	U <sub>3</sub> O <sub>8</sub> (M kg)	U <sub>3</sub> O <sub>8</sub> (M lbs)
Kayelekera	Open Pit - Proved	0.6	902	0.5	1.2
Kayelekera	Open Pit - Probable	13.7	637	8.7	19.2
Kayelekera	RoM Stockpile – Proved	1.6	760	1.2	2.6
Kayelekera	<b>Total</b>	<b>15.9</b>	<b>660</b>	<b>10.4</b>	<b>23.0</b>

In addition to its uranium assets, Lotus through its acquisition of A-Cap Energy has also acquired a 55% ownership in the Wilconi Nickel-Cobalt Project located near Wiluna in Western Australia. The Wilconi Project has a Mineral Resource Estimate of 73 million tonnes at 0.79% Nickel for 570,000 tonnes contained nickel metal (also 0.04% cobalt for 29,500 tonnes contained cobalt metal).

### Wilconi Nickel Cobalt Mineral Resource Estimate – May 2023 (cut-off grade 0.5% Ni and 0.04% Co within RPEEE pit)<sup>10</sup>

Category	Tonnes (M)	Ni %	Co %	Nickel metal (tonnes)	Cobalt metal (tonnes)
Measured	19	0.88	0.06	160,000	11,200
Indicated	21	0.82	0.03	170,000	8,300
Inferred	33	0.73	0.04	240,000	10,000
<b>Total<sup>11</sup></b>	<b>73</b>	<b>0.79</b>	<b>0.04</b>	<b>570,000</b>	<b>29,500</b>

<sup>9</sup> Ore Reserves are reported based on a dry basis. Proved Ore Reserves are inclusive of RoM stockpiles and are based on a 200ppm cut-off grade for arkose and a 390ppm cut-off grade for mudstone. Ore Reserves are based on a 100% ownership basis of which Lotus has an 85% interest. Lotus confirms that it is not aware of any new information or data that materially affects the information included in the announcement of 11 August 2022 and that all material assumptions and technical parameters underpinning the Ore Reserve Estimate in that announcement continue to apply and have not materially changed.

<sup>10</sup> Wilconi Mineral Resources are extracted from the report entitled "Wilconi Nickel-Cobalt Project Mineral Resource upgraded" dated 5 June 2023, which is available to view on [www.asx.com.au](http://www.asx.com.au) under A-Cap Energy.

<sup>11</sup> The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the Mineral Resources estimates in the original market announcement continue to apply and have not been materially changed.

## Appendix 5B

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

Name of entity

Lotus Resources Limited

ABN

38 119 992 175

Quarter ended ("current quarter")

31 December 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(111)	(439)
(b) care & maintenance	(556)	(1,020)
(c) development	-	-
(d) production	-	-
(e) staff costs	(334)	(575)
(f) administration and corporate costs	(747)	(1,170)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	320	665
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes refunded/(paid)	9	(27)
1.7 Government grants and incentives	-	-
1.8 Other (provide details if material)	5	9
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,414)</b>	<b>(2,557)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) entities	(361)	(361)
(b) tenements	-	-
(c) property, plant and equipment	(198)	(1,366)
(d) exploration & evaluation (if capitalised)	(591)	(591)
(e) investments	-	-
(f) other non-current assets	-	-

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (cash acquired from acquisition of A-Cap Energy Limited)	1,238	1,238
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>88</b>	<b>(1,080)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	200	550
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 (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>200</b>	<b>550</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	13,450	15,519
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,414)	(2,557)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	88	(1,080)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	200	550

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

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	43	(65)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>12,367</b>	<b>12,367</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	479	594
5.2	Call deposits	1,388	1,856
5.3	Bank overdrafts	-	-
5.4	Other (Term Deposits < 3 Months)	10,500	11,000
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>12,367</b>	<b>13,450</b>

**6. Payments to related parties of the entity and their associates**

- 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

**Current quarter  
\$A'000**

493

-

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

Payments to all Directors for Directors' fees (December quarter: \$208,000).

Mr Grant Davey, who is a Non-Executive Director of the Company is a Director and shareholder of Matador Capital Pty Ltd (Matador Capital). The Company makes payments to Matador Capital under a Shared Services Agreement in which Matador Capital provides office space, general office services, bookkeeping services, company secretarial services, ESG consulting services and technical exploration and geological staff to the Company. The services provided by Matador Capital are recovered from the Company on a cost-plus basis (December quarter \$149,000).

The Company's Non-executive Chairman, Mr Michael Bowen, is a partner of law firm, Thomson Geer. During the December quarter, the Company paid legal fees of \$125,000 to Thomson Geer for legal services.

## 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 (please specify)	-	-
7.4 <b>Total financing facilities</b>	-	-
7.5 <b>Unused financing facilities available at quarter end</b>		-
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.		

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (Item 1.9)	(1,414)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	(591)
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(2,005)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	12,367
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	12,367
8.7 <b>Estimated quarters of funding available (Item 8.6 divided by Item 8.3)</b>	6.2

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

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

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

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

## 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 2024.....

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

## Notes

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