



TAITON RESOURCES
LIMITED

ASX: T88

QUARTERLY ACTIVITIES REPORT

28th July 2023

Highlights

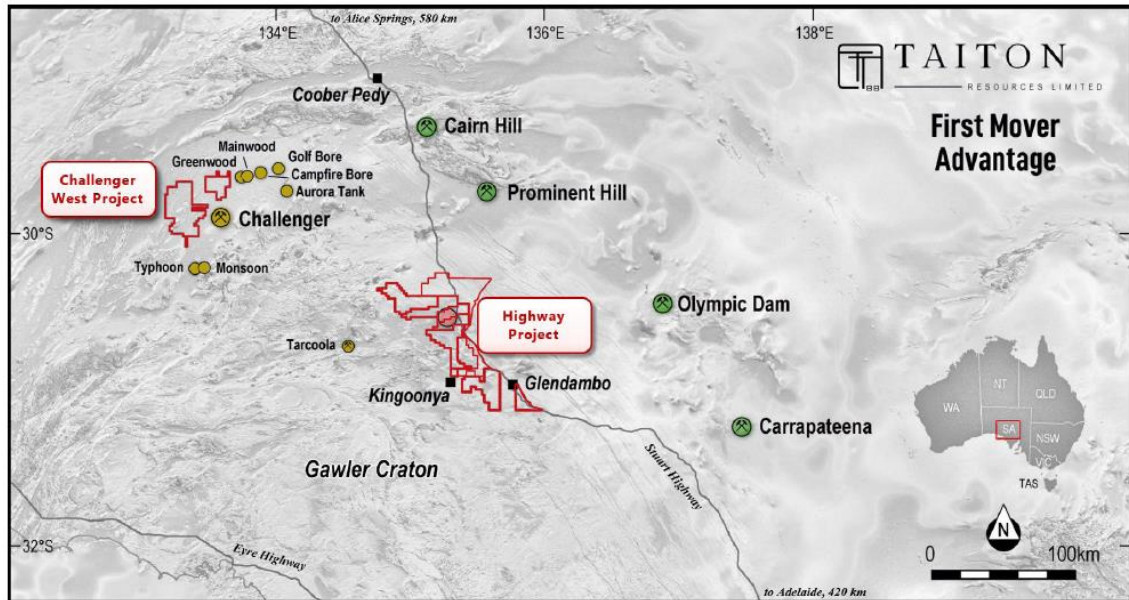
Highway Project

- **Induced Polarisation (IP) survey interpretation supports the Magmatic Hydrothermal Mineral System over 3.8km long and 2km wide**
- **Potential Zones of Mineralisation with Multiple Drilling Targets**
- **Drilling Program Submitted for Approval**
- **Heritage Survey Completed**
- **UltraFine Soil Survey**
- **Drilling Approval Pending**

Taiton Resources Limited (ASX: T88, Taiton or “the Company”) is pleased to provide a summary of activities completed during the Quarter ended 30th June 2023.

Highway Project - SA

The Highway Project with total land holding of 2,930 sq km is bisected by the Stuart Highway (A87). The Merino Prospect – within the Highway Project is situated approximately 590 km from the state capital of Adelaide and 186 km north of Port Augusta.



During the Quarter, the Induced Polarisation (IP) survey was completed. The data was interpreted, and modelled to produce 2D and 3D chargeability and resistivity models.

Results from the survey has identified an intrusive body with associated alteration haloes for both phyllic (chargeable response) and potassic (radiometric response) alteration.

Incorporating the existing geochemical and geological datasets with the acquired IP data, the company has identified **multiple targets** for potential mineralisation.

An application for Programs for Environment Protection and Rehabilitation (PEPR) has since been submitted to the South Australian Department for Energy and Mining (DEM) for 3,000 to 5,000 metres drilling program to cover the priority targets. The approval of the DEM is pending.

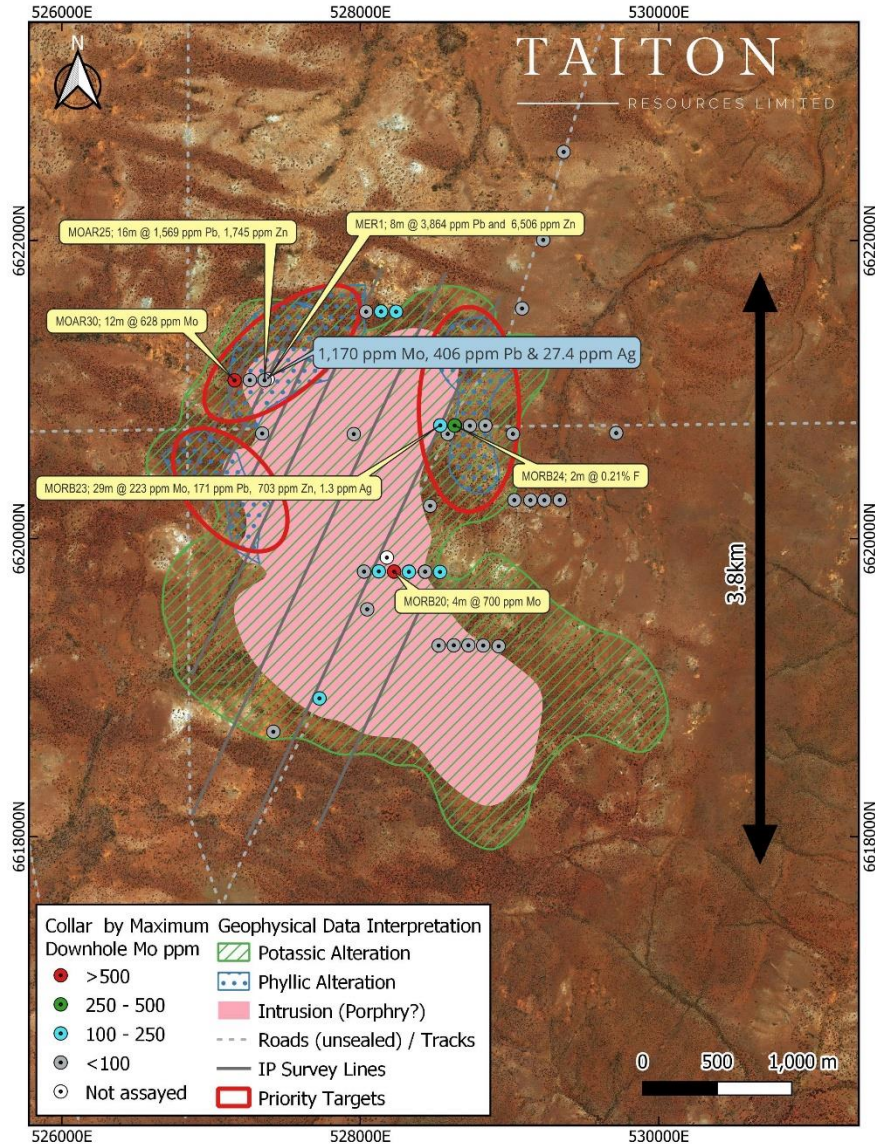


Figure 1 – Intrusion identified from IP Survey with historical drill collars

The Company undertook an Aboriginal Cultural Heritage Survey to cover the proposed drilling pads and this was completed within this reporting period.



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The Company has planned its final drilling locations after taking into consideration the views of the Antakirinja Matu-Yankunytjatjara Corporation (“AMYAC”) seniors and specialists to avoid, amongst others, drainage lines, creeks and waterways.



The aim of the UltraFine (UF) soil sampling program (Figure 2) was to identify the most prospective areas within the system to focus future drilling programs. The other purpose of the UF soil program is to help highlight any other anomalous metals within the area.



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Historical data taken from SARIG (South Australian Resource Information Gateway) indicate that there may be presence of other metals previously unexplored in this region.

This will be the first steps of our regional exploration strategy for the Highway Project.

Taiton will analyse for the full suite of elements including molybdenum, base metals, and rare earth elements.

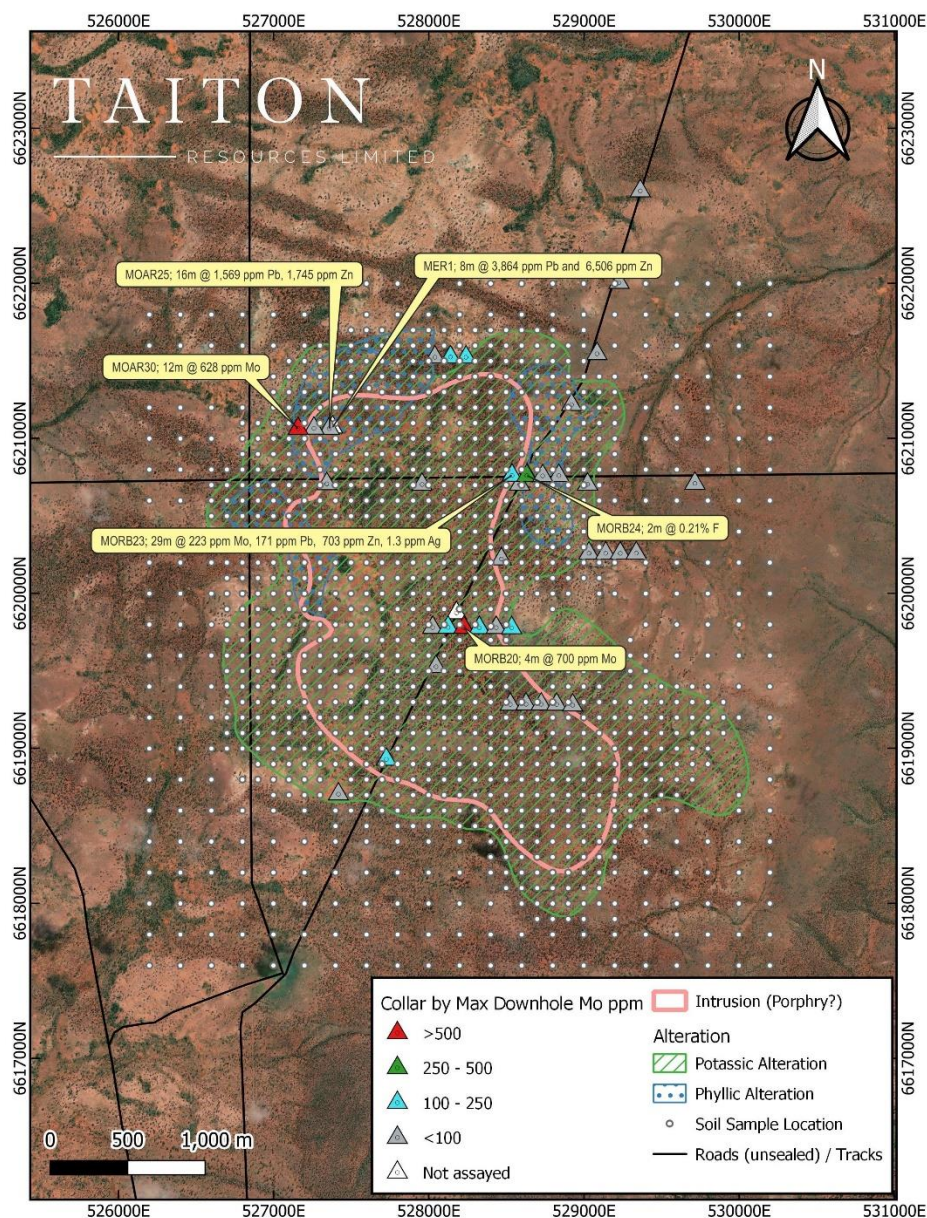


Figure 2 – UltraFine Soil Sampling with historical drill collars

The UF soil sampling was completed in mid-July with 1,122 samples collected. The samples are now on the way to Perth for assays.



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Challenger West Project – South Australia

During the quarter, the company undertook an intensive desktop study which is still in progress at the end of the quarter.

Lake Barlee Project – Western Australia

In the quarter, the company has been engaging First Nation groups to prepare a Heritage Survey to begin work on the ground. Due to the introduction of the new Aboriginal Heritage Legislation, the progress has been slow.

The process is still in progress at the end of the quarter.

CORPORATE

At 30 June 2023, Taiton has 73,009,544 shares on issue, 12,261,168 unlisted options and 6,000,000 unlisted performance rights. Cash at bank totalled \$4.63M.

No further shares or options were issued during the June Quarter 2023.

ASX Additional Information**Summary of expenditure items within Appendix 5B**

A summary of the expenditure and related party payments is set out below:

- 1.1 Receipt from customers relate to receipts from subletting of the rented property.
- 1.2(d) Staff costs relate to director fees and consulting services, and CFO salary.
- 1.2(e) Administration and corporate costs of \$128K relate to costs for and associated with compliance costs (ASIC, ASX and share registry), audit, consulting fees, legal fees, investor relations, promotion & marketing, office costs, insurance, rental, web hosting, IT, and travel.
- 1.5 Interest paid relates to payment of withholding tax of \$23K on interest paid in the last quarter.
- 2.1(b) Tenements payments of \$61K relate to costs of tenement rents and rates.
- 2.1(c) Property, plant and equipment relates to purchases of computer equipment and vehicle modifications.
- 2.1(d) Exploration & evaluation relates to payments to Geologists for work activities, director consulting services, Fieldwork & supplies, Field travel, Heritage survey, Geophysics, IP Survey, Field mapping & Assays, Hire of equipment.
- 6.1 Payments to related parties relate to director fees and consulting services (\$114K), rent paid on property rented from the Executive



director (\$9.8K), payment for media digital content, production, and promotion services of \$15K to an entity associated with the Executive Director.

6.2 Payments to related parties relate to director consulting services (\$23K) included in exploration & evaluation payments.

There were no mine production or development activities during the quarter.

Use of Funds (Listing Rule 5.3.4)

The Table below sets out a comparison of actual expenditure in the Use of Funds against estimated expenditure in the prospectus and explanation of any material variances.

Use of funds – Year 1	Proposed \$ in IPO prospectus	Actual expenditure \$ to 30 June 2023	Variance under/(over) \$'000
Exploration activities	\$1,900,000	\$787,625	\$1,112
Administration costs	\$799,000	\$836,647	(\$38)
Estimated expenses of the Offer	\$1,142,000	\$897,710	\$244
Working Capital	\$315,000	155,357*	\$160
Total Funds allocated – Year 1	\$4,156,000	\$2,677,339	\$1,478

*Note *- Interest paid of \$155K on Loan Facilities. Loan Facilities were fully repaid by the conversion to shares on the Company's admission to the ASX, upon which the loan facility agreements were terminated.*



The material variances note above are as a result of a number of factors, including:

- a) Exploration activities are in line with the exploration program and dependent on the progress and timing of regulatory approvals.
- b) The Company has incurred higher than anticipated Administration costs including higher spending on compliance costs, legal and professional costs, travel costs, and investor relations/media promotion costs.
- c) Estimated expenses of the Offer were less than actuals due mainly to less brokerage paid.
- d) Working Capital surplus (if any) will be applied towards meeting administration costs.

It should be noted that as with any budget, the allocation and timing of the use of funds set out in the Table above may change depending on a number of factors, including market conditions, the progress of the Company's exploration and evaluation programs, economic conditions, and regulatory approvals.



Tenements

Registered Holder	Tenement No.	Location	Project	Area (Sq km)	Total (Sq km)	Interest at the end of Quarter
Lake Barlee Gold Pty Ltd	E77/2700	WA	Lake Barlee	191.54		100%
Lake Barlee Gold Pty Ltd	E57/1158	WA	Lake Barlee	204.26		100%
Lake Barlee Gold Pty Ltd	E77/2715	WA	Lake Barlee	131.93		100%
Lake Barlee Gold Pty Ltd	E57/1168	WA	Lake Barlee	141.00		100%
					668.7	
Taiton Resources Limited	EL6658	SA	Highway	972.00		100%
Taiton Resources Limited	EL6706	SA	Highway	160.00		100%
Taiton Resources Limited	EL6784	SA	Highway	884.00		100%
Taiton Resources Limited	EL6857	SA	Highway	914.00		100%
					2,930.0	
Taiton Resources Limited	EL6785	SA	Challenger West	997.00		100%
					997.0	
					4,595.7	

There were no mining tenements acquired or disposed of during the quarter.

This Report has been approved by the Board of Directors of the Company.

For further information, please contact:

Noel Ong

Managing Director

noel.ong@taiton.com.au

+61 3 8648 6431

David Low

Executive Director

david.low@taiton.com.au

+61 3 8648 6431

COMPETENT PERSONS STATEMENT

The information in this report that relates to exploration results is based on and fairly represents information and supporting documentation prepared by Mr Noel Ong, an employee of the company. Mr Ong is a member of The Australasian Institute of Mining and Metallurgy (AusIMM) and has sufficient experience of relevance to the styles of mineralisation and types of deposits under consideration, and to the activities undertaken to qualify as Competent Persons as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Ong consents to the inclusion in this report of the matters based on this information in the form and context in which they appear.

References:

Taiton announcements

03/07/2023 Heritage Survey Completed and UltraFine Soil Survey to Start

04/05/2023 IP Survey supports the Magmatic Hydrothermal System

09/03/2023 Highway Project Rock Chip Assay and Lake Barlee update

03/02/2023 Highway Project Heritage Survey Completed



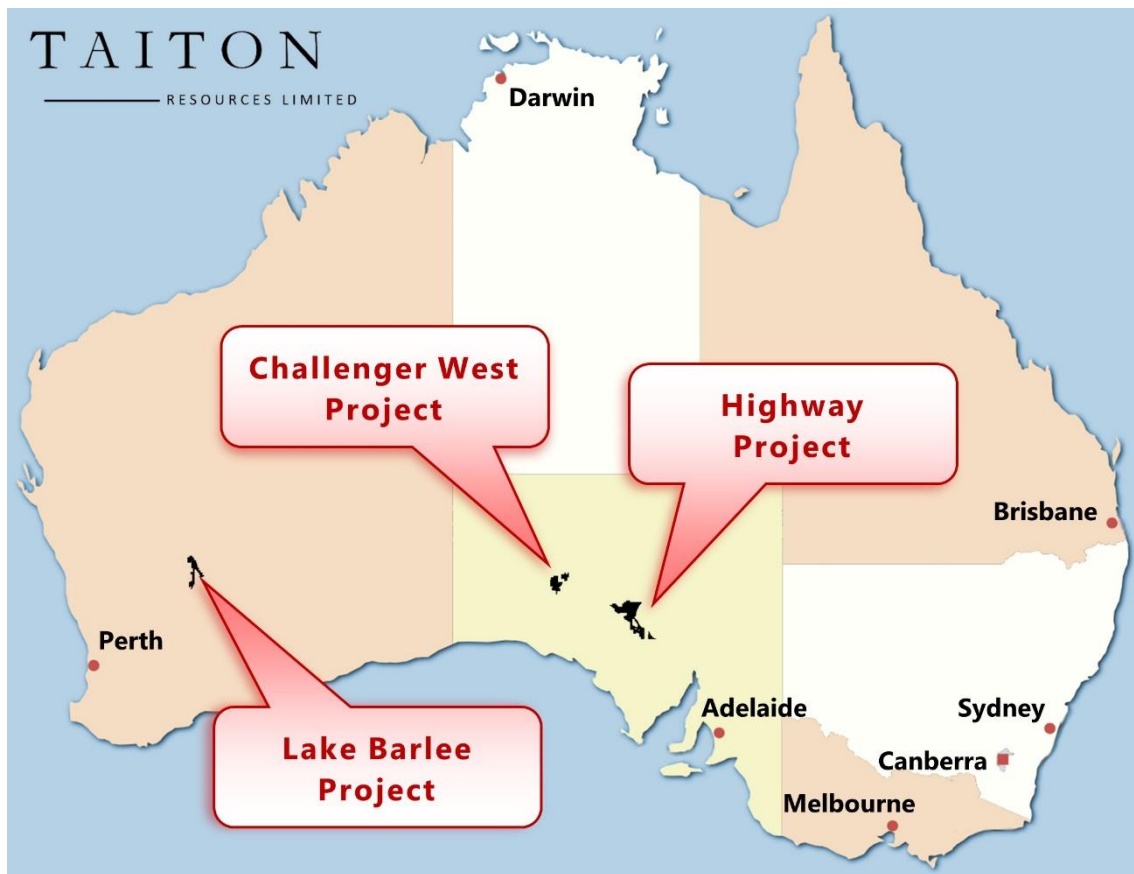
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About Taiton Resources Limited

Taiton Resources Limited (ASX: T88) is an early-stage mineral exploration and development company that has a Shallow Mineral System within the Olympic Dam Mineralising Event.



Project location of Taiton Resources Limited.

Our dominant land holding at the Highway Project will allow us to potentially uncover the Next Elephant Deposit in Australia.

The Company has assembled a portfolio of projects across both South Australia and Western Australia comprising the following:

- (a) Highway Project – total land holding of 2,930 sq km, located in South Australia,



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- (b) Lake Barlee Project – total land holding of 668.7 sq km, located in Western Australia; and
- (c) Challenger West Project – total land holding of 997 sq km, located in South Australia.

The projects have a range of exploration activities planned. The company will be undergoing a series of grassroots exploration and also several walk-up drilling targets.

Appendix 5B

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

Name of entity

Taiton Resources Limited

ABN

41 062 284 084

Quarter ended ("current quarter")

30 June 2023

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	8	14
1.2	Payments for		
	(a) exploration & evaluation		
	(b) development		
	(c) production		
	(d) staff costs	(149)	(353)
	(e) administration and corporate costs	(128)	(591)
1.3	Dividends received (see note 3)		
1.4	Interest received	10	19
1.5	Interest and other costs of finance paid	(23)	(155)
1.6	Income taxes paid		
1.7	Government grants and tax incentives		
1.8	Other (provide details if material)		
1.9	Net cash from / (used in) operating activities	(282)	(1,066)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities		
	(b) tenements	(61)	(157)
	(c) property, plant and equipment	(9)	(29)
	(d) exploration & evaluation	(287)	(703)
	(e) investments		
	(f) other non-current assets		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) investments		
	(e) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	Net cash from / (used in) investing activities	(357)	(889)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	7,004
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	-	(794)
3.5	Proceeds from borrowings	-	100
3.6	Repayment of borrowings	-	(50)
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	0	6,260

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	5,266	322
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(282)	(1,066)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(357)	(889)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	0	6,260

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	4,627	4,627

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	927	1,216
5.2	Call deposits	3,700	4,050
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)	4,627	5,266

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	139
6.2	Aggregate amount of payments to related parties and their associates included in item 2	23
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

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

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

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(282)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(287)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(569)
8.4	Cash and cash equivalents at quarter end (item 4.6)	4,627
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	4,627
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	8.13
	<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: 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?	
	Answer: N/A	

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: N/A

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:28 July 2023.....

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.