

21 APRIL 2023



Quarterly Activities Report For the quarter ended 31 March 2023

Corporate Highlights

- New nickel-cobalt focussed project application, Maleta Creek, added to Cavalier Resources' Leonora portfolio
- Cavalier Resources is the sole applicant for the lease, covering an area of 51.2km²
- Internal high-level studies indicated the potential for the oxide portion of the Crawford Gold resource to be extracted and processed via heap leach processing
- The Company commenced studies into the potential for processing onsite as an owner-operator
- Heap leach experts Kappes, Cassiday & Associates Australia were engaged to assist these studies
- Initial phase 1 of metallurgical test work programming commenced
- A Heads of Agreement was signed with Blue Cap Mining to assist with heap leach mining studies and to potentially conduct the development and mining work for any test pits

Summary:

Cavalier Resources Limited (**ASX: CVR**) ('Cavalier' or 'the Company') is pleased to report on its activities during the three months ended 31 March 2023, during which a new nickel-cobalt focussed project application, Maleta Creek, was added to its Leonora portfolio. Covering an area of 51.2km², the Company is the sole applicant of the lease, which is situated immediately south of the historic Waite Kauri Nickel-Cobalt Project area and immediately west of Glencore's Murrin Murrin nickel cobalt operation. An initial desktop review of Maleta Creek highlighted numerous nickel sulphide, nickel laterite and gold targets, along with near surface nickel occurrences that remain largely untested by drilling.

The Company announced the engagement of Kappes, Cassidy & Associates Australia ('KCAA') to begin metallurgical studies on the Crawford Gold Project after internal high-level studies indicated the potential for the oxide portion of the Crawford Gold resource to be extracted and processed using heap leach methods, with the intention to process the material onsite by the Company. Additionally, a Heads of Agreement was signed by Blue Cap Mining ('BCM') to assist the Company with heap leach mining studies and to provide contract equipment for any potential test pits, with scope of services and fees to be agreed from time to time on an "as needed" basis.

Daniel Tuffin, Executive Technical Director, commented:

"Strategically located on the doorstep of the Murrin Murrin nickel processing plant, the application for Maleta Creek was carried out to inject a nickel-cobalt focussed project into our Leonora portfolio, complementing the Company's existing nickel, lithium and gold project at Ella's Rock.

Multiple nickel sulphide and nickel laterite targets within the Maleta Creek Project area remain largely untested by drilling, while documented historic near surface nickel occurrences have had little follow up within the past decade; both are objectives for future evaluation upon grant.

M&A instability continued in the Leonora region with several gold companies, casting doubt on the Company securing viable toll milling options for the Crawford Gold Project, which has a Mineral Resource of 117,800 ounces. Given the situation, the Company embarked on investigating the potential to mine and mill Crawford as an owner-operated heap leach operation. As part of this process, it engaged heap leach processing experts Kappes, Cassidy & Associates Australia and signed a Heads of Agreement with Blue Cap Mining."

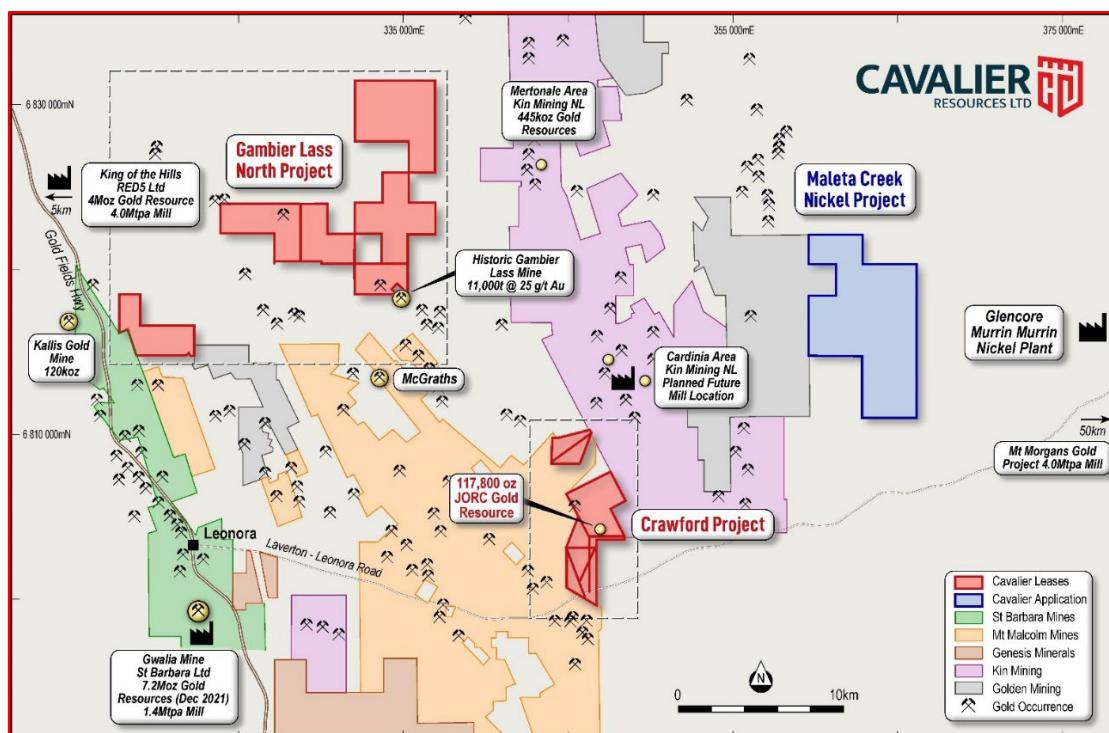


Figure 1: Cavalier's Leonora Exploration Projects

Maleta Creek Project Application:

Open file data sourced from the Department of Mines, Industry Regulation and Safety (DMIRS) indicates the presence of substantial strike length of ultramafic volcanics, prospective for nickel mineralisation, within the Maleta Creek Nickel Project application area.

The most recent exploration for nickel, cobalt and PGE's across the application area was carried out by ASX listed Celsius Resources Limited (**ASX:CLA**). Celsius' exploration efforts focussed on the potential for nickel sulphide mineralisation, completing a high-resolution aeromagnetic survey and a ground EM survey during their tenure. Two main areas of interest were defined – the “**Corkscrew Target**” and the “**Central Target**” (see **Figure 2**) in addition to the earlier “**Kaikoura Target**” – however, no drilling was ever carried out. The tenement area is also covered by recent alluvial cover which would mask any laterite formed by weathering of these units (see **Figure 3**).

The Company is currently compiling data from all historical exploration with the aim of integrating the geochemical, geophysical and drilling data into a single dataset to enable work programmes to be designed for immediate implementation once the tenement application is granted. For further information, please refer to the ASX release on 4 April 2023.

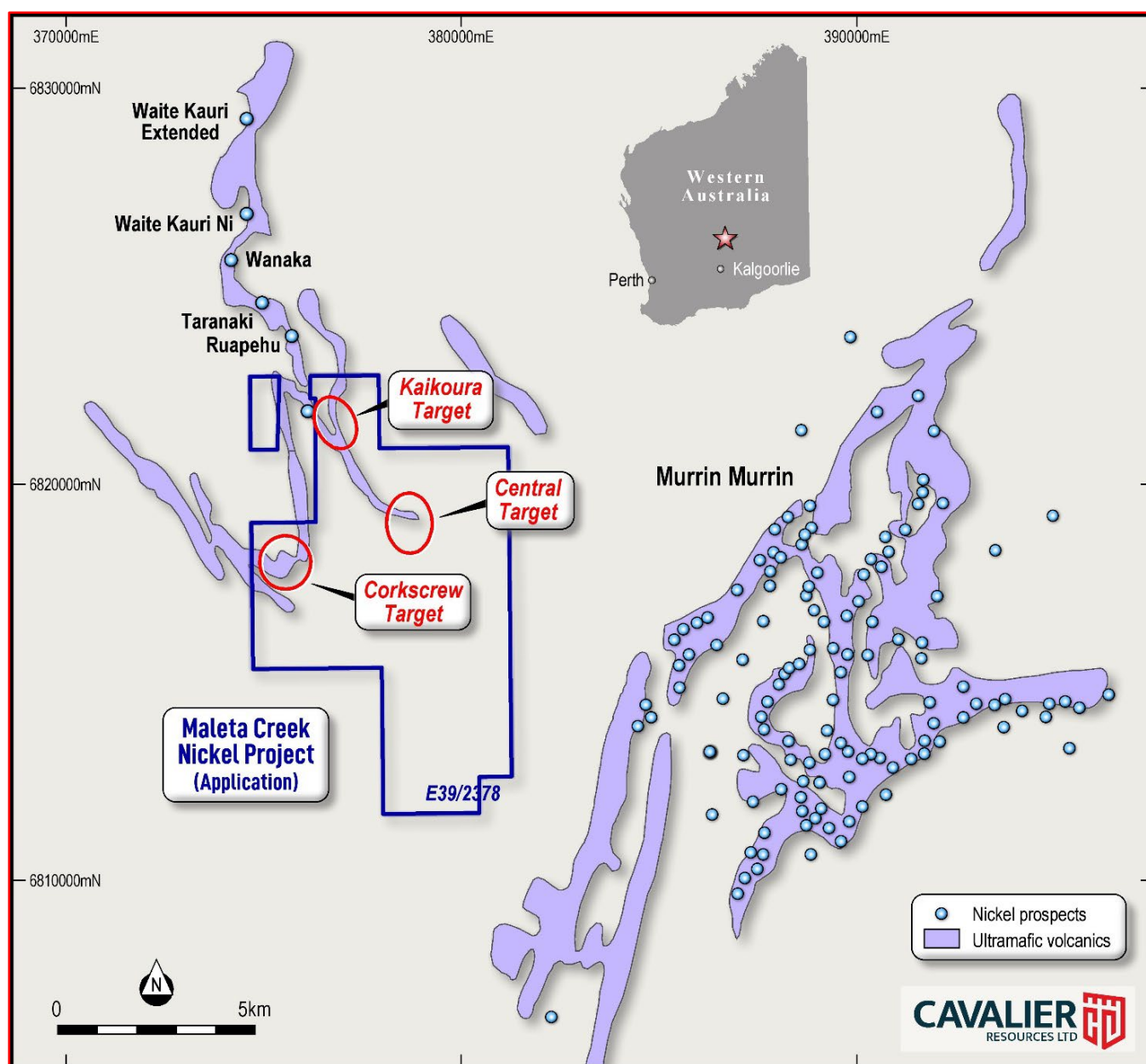


Figure 2: Maleta Creek Project Application Area Displaying Ultramafic Targets

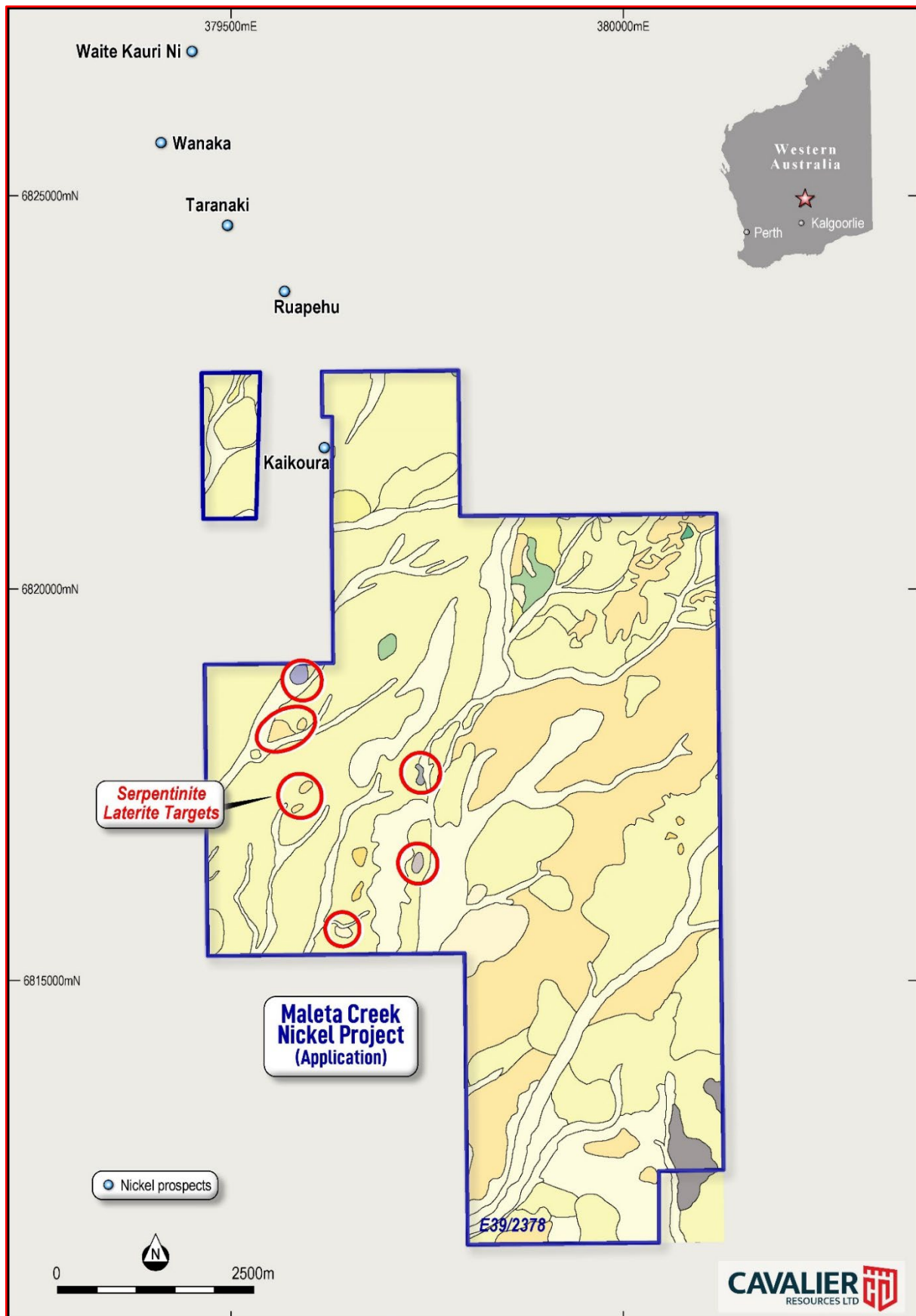


Figure 3: Maleta Creek Nickel Project Application Displaying Mapped Near Surface Serpentine Targets over Surface Geology

Heap Leach Studies:

Internal high-level studies indicated the potential for the oxide portion of the Crawford Gold resource to be extracted and processed using heap leach methods via processing onsite by the Company. As such the company engaged Kappes, Cassiday & Associates Australia ('KCAA') to begin metallurgical studies and signed a Heads of Agreement with Blue Cap Mining ('BCM') to assist the Company with heap leach mining studies and to provide contract equipment for any potential test pits, with scope of services and fees to be agreed from time to time on an "as needed" basis.

About KCAA:

Since 1972, Kappes, Cassiday & Associates (KCA) has provided process metallurgical services to the international mining industry. KCA specializes in all aspects of heap leaching, cyanide processing, laboratory testing, project feasibility studies, engineering design, construction, and operations management.

Randall Pyper, General Manager of the Australian branch, has been involved in many regional Western Australian heap leach operations and reviews since opening KCA Australia in 1987. Some of these roles include design and consulting roles for local heap leach operations at St Ives, Telfer and Bullabulling.

Prior to his work in Australia, Randall was the Chief Metallurgist of the 2500 ton per day agitated leach plant and 3000 ton per day heap leach facility of Carlin Gold Mining Company (Newmont Gold Company). His highly experienced background also includes production and process engineering for PPG industries, Lake Charles, Louisiana, and mining chemicals technical service and development for the Dow Chemical Company at Walnut Creek, California.

Overall, KCA Australia has been involved with over 170 gold and silver heap leach projects with over 50 projects proceeding on to production.

See <https://www.kcareno.com> for further information.

About Blue Cap Mining:

Blue Cap Mining (BCM) provides a range of funding, mine development and peripheral mining services, specialising in surface and open cut mining operations.

Operating Australia wide, it has completed over 14 gold mining projects in Western Australia and Queensland, including mine development, mining operations, and CIL plant construction and operation. The Company also owns the Lord Byron Gold Mine some 100km southeast of the Crawford Gold Project and has recent regional experience at the Bungarra Gold Mine.

See <http://www.bluecapmining.co> for further information.

Crawford Gold Project Information:

The Leonora Gold Project (LGP) is comprised of two sub-projects, Crawford and Gambier Lass North. It consists of ten exploration licences, a prospecting licence, a miscellaneous licence, and a mining lease, within which lies the Crawford Gold Deposit, a 117,800 oz Au JORC compliant Mineral Resource situated just 20km east of the township of Leonora (see Table 1).

The Company's last drill campaign at Crawford, completed in December 2022 (see ASX announcement "[Resource Update – Crawford Gold Project \(Corrected\)](#)" December 5, 2022), resulted in an increased Mineral Resource Estimate (MRE) and made two discoveries: a southern sub-vertical mineralised zone and northern fresh rock mineralised structure.

The southern sub-vertical zone was domained and included in the updated resource, however the northern fresh rock zone was not as it required further drilling. In light of these new discoveries, the Company paused its pre-feasibility study (PFS) to allow further time for revision. Subsequent internal review of alternate mining and processing techniques indicates the potential for the application of heap leach processing to the oxide portion of the Crawford resource.

Table 1: 2022 Crawford Mineral Resource Estimate

	Indicated			Inferred			TOTAL		
	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces
0.5g/t Au cut-off	1,154,000	1.0g/t	37,300	2,591,000	1.0g/t	80,600	3,745,000	1.0g/t	117,800
1.0g/t Au cut-off	412,000	1.5g/t	19,600	613,000	1.8g/t	36,300	1,025,000	1.7g/t	55,900

Some errors may occur due to rounding

Exploration Expenditure:

In accordance with ASX Listing Rule 5.3.1, the Company spent \$229,000 on exploration work during the quarter, which comprised planning and drilling.

Mining Production and Development Expenditure:

In accordance with ASX Listing Rule 5.3.2, there were no substantive mining production and development activities during the quarter.

Tenement Information:

In accordance with ASX Listing Rule 5.3.3, the Company advises the following:

- (1) There were no tenements granted during the quarter;
- (2) The mining tenements held by the Company as at 31 March 2023 are set out in the table below;
- (3) There were no farm-in or farm-out agreements entered into during the quarter; and
- (4) The Company held no beneficial percentage interests in farm-in or farm-out agreements as at the end of the quarter.

Project	Tenement	Status	Registered Holder / Applicant	Percentage Ownership
Leonora Gold Project • Gambier Lass North	E37/893	Granted	Cavalier Resources Limited	100%
	E37/1421	Granted	Maximal Investments Pty Ltd	100%
	E37/1422	Granted	Maximal Investments Pty Ltd	100%
	E37/1423	Granted	Maximal Investments Pty Ltd	100%
	E37/1424	Granted	Maximal Investments Pty Ltd	100%
Leonora Gold Project • Crawford	M37/1202	Granted	Cavalier Resources Limited	100%
	P37/8901	Granted	Cavalier Resources Limited	100%
	P37/9475	Granted	Cavalier Resources Limited	100%
	P37/9476	Granted	Cavalier Resources Limited	100%
	P37/9447	Granted	Cavalier Resources Limited	100%
	P37/9448	Granted	Cavalier Resources Limited	100%
	P37/9449	Granted	Cavalier Resources Limited	100%
	L37/251	Application	Cavalier Resources Limited	100%
Hidden Jewel Gold Project	E24/232	Application	Cavalier Resources Limited	100%
	E24/237	Application	Cavalier Resources Limited	100%
	P24/5568	Application	Cavalier Resources Limited	100%
Ella's Rock Nickel-Gold Project	E74/662	Granted	Matrix Exploration Pty Ltd	100%
	E74/717	Granted	Cavalier Resources Limited	100%
	E74/718	Granted	Cavalier Resources Limited	100%
	E77/2998	Application	Cavalier Resources Limited	100%
Maleta Creek Nickel-Gold Project	E39/2378	Application	Cavalier Resources Limited	100%

Use of Funds:

In accordance with ASX Listing Rule 5.3.4, a comparison of the Company's actual cash expenditure since listing against the "use of funds" statement outlined the Prospectus is included below:

Allocation of Funds	Current Qtr (\$'000)	Since Listing (\$'000)	Two-year Use of Funds as per IPO Prospectus dated 4 April 2022 (\$'000)
Exploration Expenditure - WA	229	1,490	3,300
Expenses of the Offer	-	570	552
Administration and Working Capital	152	625	1,298
Total	381	2,685	5,150

Payments to Related Parties:

In accordance with ASX Listing Rule 5.3.5, the Company advises that the payments to related parties of the Company and their associates, as advised in the Appendix 5B, for the quarter ended 31 March 2023 was \$148,000, of which \$61,000 was related to exploration consulting services and \$87,000 to Directors' fees, accountant and company secretarial related services.

Competent Person Statements:

The information in this announcement that relates to the Mineral Resources estimate is based on information compiled by Richard Maddocks, a Competent Person who is a Fellow of The Australasian Institute of Mining and Metallurgy. Richard Maddocks is employed by Auranmore Consulting, an independent consultant to Cavalier Resources Limited. Richard Maddocks has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

The information in this announcement relating to geology and Exploration Results for the Maleta Creek Nickel-Cobalt Project is based on information compiled, reviewed and assessed by Mr. Bill Oliver, who is a Member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Mr. Oliver is a consultant to the Company and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined by the 2012 Edition of the Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves (**JORC Code**).

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, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement 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 announcement.

This announcement has been approved and authorised by the Board of Cavalier Resources.

For further information:

Investor Relations

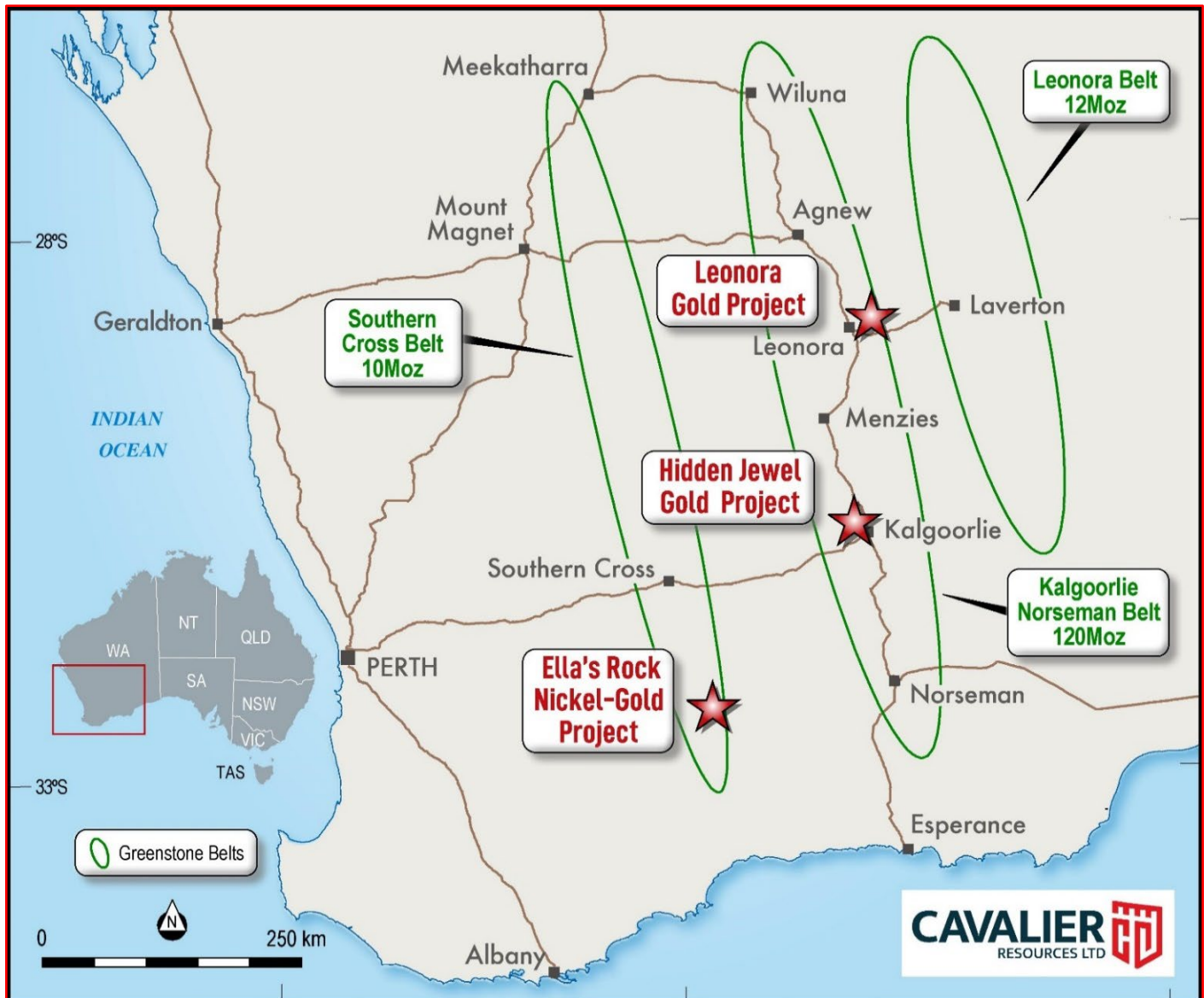
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Media Enquiries

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About Cavalier Resources:

The Company has interests in Tenements in Western Australia, collectively known as the Leonora Gold Project, Hidden Jewel Gold Project, and Ella's Rock Nickel-Gold Project, prospective for gold and nickel mineralisation.



For more information on Cavalier Resources and to subscribe to our regular updates, please visit our website here and follow us on:



<https://twitter.com/CavalierLtd>



<https://www.linkedin.com/company/cavalier-resources-ltd/>



<https://www.facebook.com/cavalierresources>

Appendix 5B

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

Name of entity

Cavalier Resources Limited

ABN

16 635 842 143

Quarter ended ("current quarter")

31 March 2023

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	-	(54)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(59)	(146)
	(e) administration and corporate costs	(94)	(397)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	18	28
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	6
1.9	Net cash from / (used in) operating activities	(135)	(563)

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	(229)	(1,402)
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 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	(229)	(1,402)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,803	4,404
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(135)	(563)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(229)	(1,402)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	2,439	2,439

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	2,000	2,803
5.2	Call deposits	439	-
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)	2,439	2,803

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	87
6.2	Aggregate amount of payments to related parties and their associates included in item 2	61
<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>		

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

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(135)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(229)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(364)
8.4 Cash and cash equivalents at quarter end (item 4.6)	2,439
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	2,439
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	6.70
<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	
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	
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 21 April 2023

Authorised by: By the Board of Directors of Cavalier Resources Limited
(Name of body or officer authorising release – see note 4)

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

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.