

26 July 2021

QUARTERLY REPORT – 30 JUNE 2021

Key Highlights

Needles Gold Project, Nevada

- > Strong DC/IP Chargeability anomaly at Needles Gold Project confirmed by two separate modelling techniques
- > Chargeability interpreted to be caused by the presence of significant pyrite within porous volcanics, potentially indicative of Round Mountain type gold mineralisation
- > Resistivity modelling indicates the presence of probable cap-rock layer above interpreted mineralisation, a key element required for the formation of Round Mountain type deposits
- > Processing of seismic survey indicates presence of multiple structures within target areas
- > Three 500m diamond drill-holes planned to test the main parts of the chargeability anomaly for gold mineralisation
- > Additional diamond drill-hole planned to test Tomahawk mineralisation to the southeast
- > Drill rig provisionally secured for Q1, 2022, with additional efforts ongoing to secure a rig to commence earlier

Governor Broome Project, WA

- > Resources contained within 100% owned Retention Licence R70/53 upgraded to total 52Mt @ 4.6% HM of Indicated Resources and 6Mt @ 4% HM of Inferred Resources
- > Wet and Dry Plant test work program successfully concluded on a 2.6t bulk sample from West Deposit
- > Sighter test work on second bulk sample taken from the East Deposit completed
- > Heavy mineral concentrate (HMC) successfully produced in the wet concentrator using conventional mineral sands processing equipment
- > High grade ilmenite and zircon products successfully produced from HMC using conventional dry plant mineral separation equipment
- > Governor Broome ilmenite products compare favourably with other benchmark ilmenite products
- > Governor Broome primary zircon is consistent with selected competing premium zircon products in the marketplace
- > A Scoping Study incorporating the results from this metallurgical test work will be undertaken to demonstrate the mine potential of the Governor Broome Heavy Mineral Project

Astro Resources NL (ASX:ARO) (“ARO”, “Astro” or “the Company”) is pleased to release its quarterly report for the period ending 30 June 2021.

Needles Gold Project, Nevada, USA

During the quarter, the Company made very good progress in its Needles gold project in Nevada, USA (Figure 1).

In May, the Company announced that detailed modelling carried out utilising two separate modelling techniques of the data obtained by Astro’s January 2021 DC/IP survey, confirmed the presence of a strong, robust chargeability anomaly located within the Company’s Needles Property. Astro interpreted that the anomaly reflects the presence of significant disseminated pyrite, possibly with associated gold mineralisation.

The DC/IP data modelling, in addition to Astro’s seismic survey, also indicated the presence of numerous cross-cutting structures that may contain high-grade gold mineralisation within the shallowly dipping volcanic host rocks. Three major post-mineralisation structures have been interpreted that appear to confine the chargeability anomaly.



The Company now plans to commence a diamond drilling program comprising three 500m deep drill-holes to test the anomaly as soon as possible. The Company has been able to secure a diamond rig for Q1, 2022. In the meantime, in order to fast track the drilling, Astro is also progressing discussions with other drilling companies to attempt to secure a rig for later this year.

A fourth hole will target mineralisation beneath the Tomahawk Shaft and workings.

The proposed drilling campaign is expected to cause minimum disturbance.

Prior to the results from the geophysical programs becoming available, Astro estimated a drilling budget of approximately A\$720,000 for shallower testing using a RC rig (ASX: ARO announcement 22nd February 2021). However, due to the positive results from the geophysics and the greater depth of the potentially gold bearing target identified Astro has expanded this budget to A\$1.3M, which also includes the Tomahawk area of the Needles Property.

DC/IP Modelling

The DC/IP data was subject to further interpretation by Southern Geoscience Consultants (“SGC”). SGC used two alternative modelling techniques to confirm the presence and location of the chargeability anomaly.

SGC also carried out a detailed interpretation of the resistivity data, which indicated the presence of northeast-trending structure that clearly divides the surveyed area into separate domains. Resistivity modelling also indicates the presence of probable cap-rock layer above interpreted mineralisation, a key element required for the formation of Round Mountain type deposits

A moderately northwest-trending northeast-dipping structure further divides the south-eastern portion of the area into a western and an eastern domain. The chargeability anomaly is confined to the northwest by the northeast structure and to the southwest by the northwest structure. It is also confined to the northeast by a parallel northwest structure (Figure 3).

It is interpreted that the anomaly reflects the presence of significant disseminated pyrite mineralisation, which may be associated with gold deposition. In this case, the mineralising fluids will have ascended along open structures and will have deposited the mineralisation within porous tuffs. The overlying resistive layer, interpreted to be of less-permeable welded tuff, has trapped and caused ponding of the rising fluids, depositing mineralisation below about 250m from the current surface.

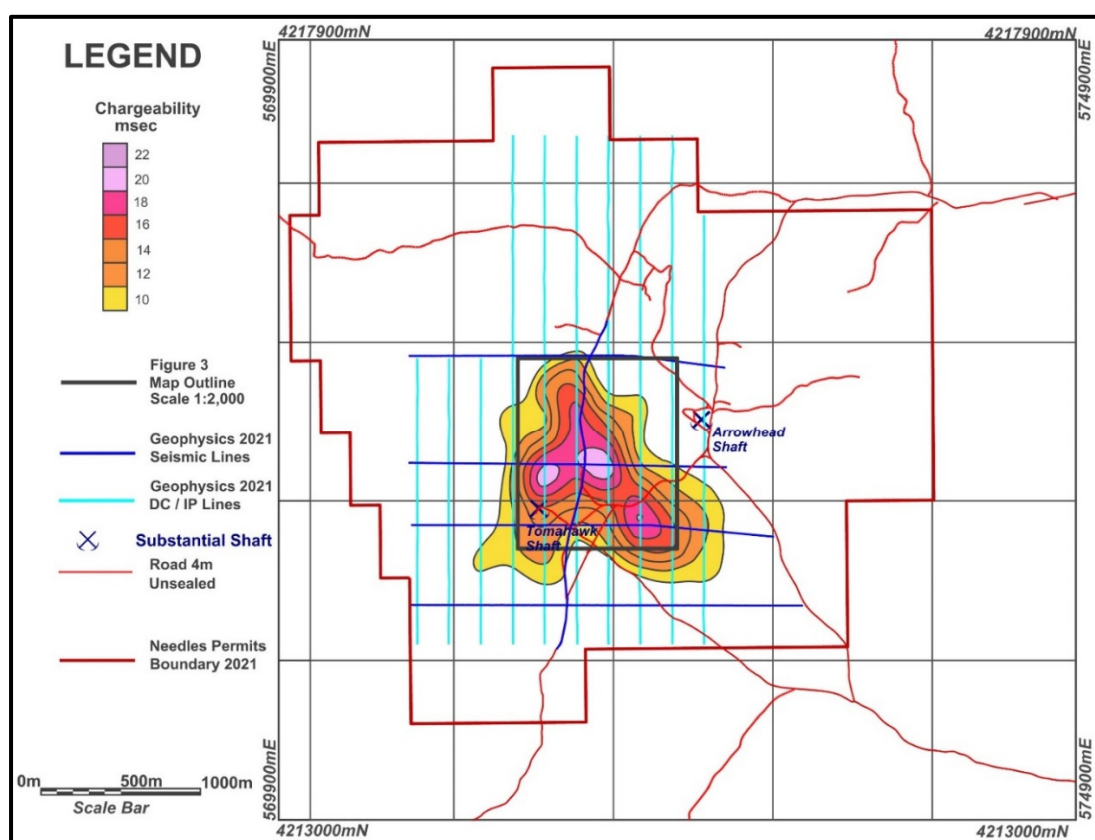


Figure 2. Map of Needles Property showing DC/IP and seismic survey lines and the chargeability anomaly

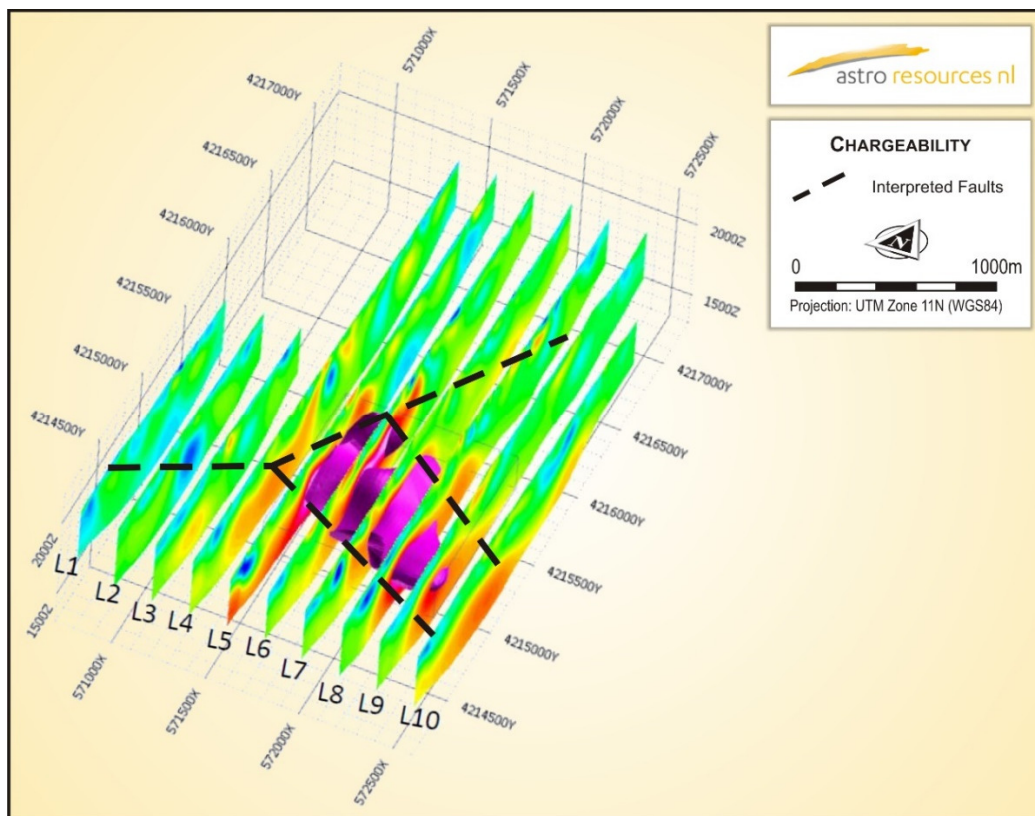


Figure 3. Stacked Resistivity(upper) and Chargeability (lower) images showing interpreted post-mineralisation bounding faults

Seismic Modelling

The seismic data is presented as a sectional view along each line, accompanied by structural interpretation. Figure 4 displays the sectional view along the north-south seismic line, which passes over the chargeability anomaly. An image of the chargeability anomaly is overlain on seismic interpretation.

The shallow dipping stratigraphy and numerous structural breaks can be seen in the image of the seismic data. A major shallow structure coincides with the upper surface of the chargeability anomaly. A zone of high conductivity sits above this break. Processing of the seismic survey indicates the presence of multiple structures within the target area which may contain higher-grade mineralisation.

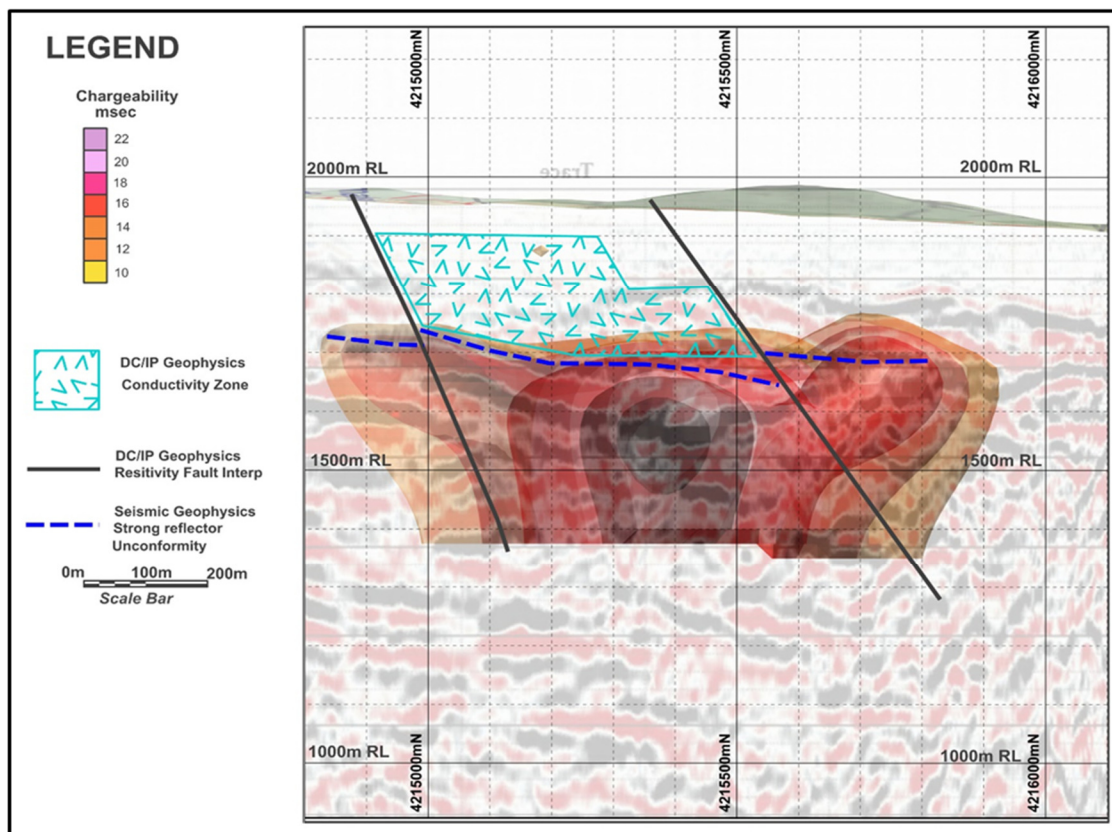


Figure 4. Seismic section looking west, with chargeability anomaly overlain, resistivity interpreted faults (black), major sub-horizontal break (blue dashes), and conductive zone (pale blue patterned).

Planned Drilling

Three 500m diamond drill-holes have been planned to test the interpreted mineralisation (Figures 5 and 6). Two will test the central portion of the mineralisation in two directions, which will maximise the possibility of intersecting higher-grade structures, irrespective of their orientations. The third will test a second chargeability high centred about 500m to the southeast.

The Company has been able to secure a diamond rig for Q1, 2022. In the meantime, in order to fast track the drilling, Astro is also progressing discussions with other drilling companies to attempt to secure a rig for later this year. Further details will be provided as soon as they become available.

Astro is in the process of applying to the Bureau of Lands Management (BLM) for the necessary approvals to undertake the work. The Company has also engaged a Nevada based environmental and permitting consulting company, EM Strategies Inc., to carry out required environmental studies across the target area. These studies are currently in progress and are expected to take a period of some one year to complete. This timing should coincide with major work to be undertaken by the Company.

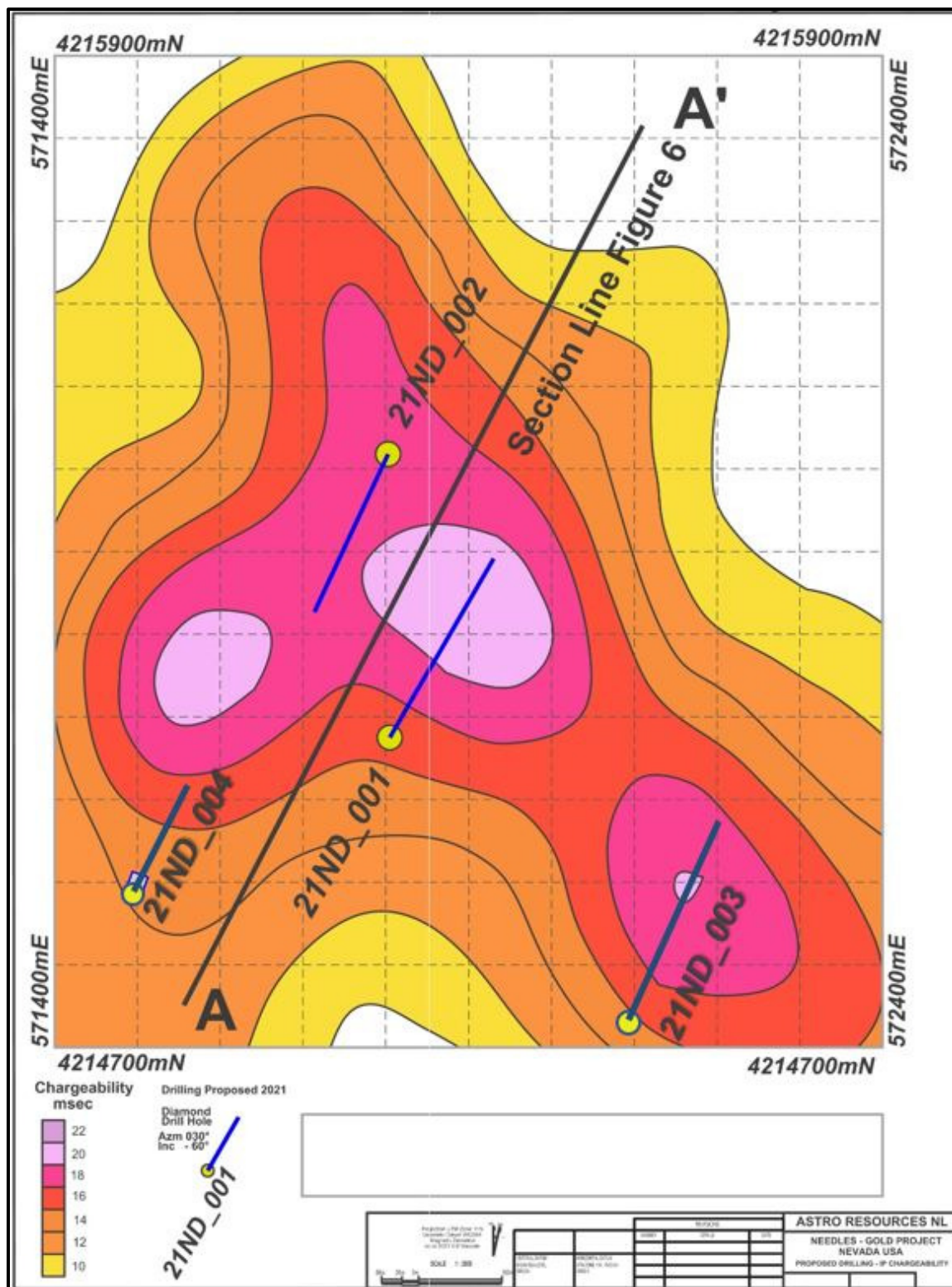


Figure 5. Detail of 200m depth slice of chargeability anomaly showing planned drill-holes

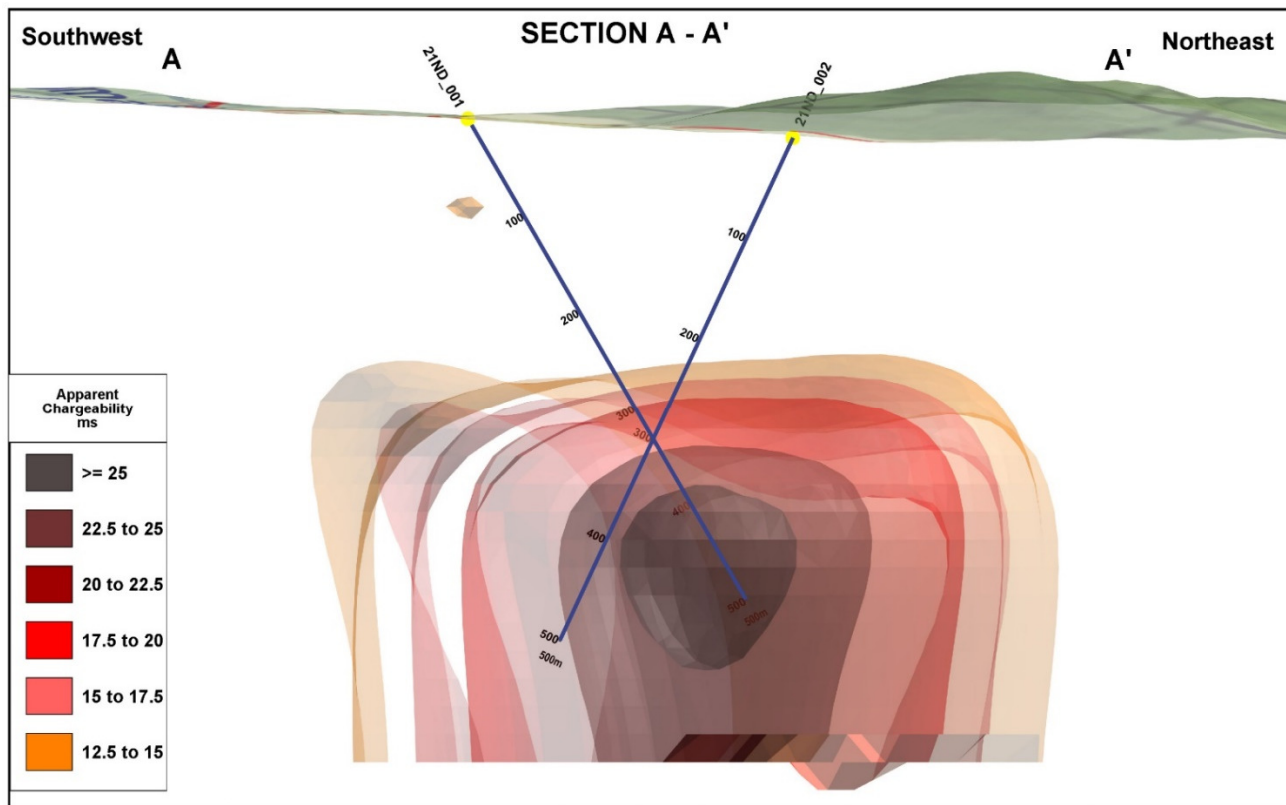


Figure 6. Sectional view of chargeability anomaly showing proposed drill-holes 001 and 002.

Governor Broome Heavy Minerals Sands Project, WA

In June ARO announced the results of metallurgical test work carried out on bulk samples from its Governor Broome Heavy Mineral Project, located in the Southwest of Western Australia.

The test work program, designed to assess the metallurgical performance of material sourced from the Governor Broome deposit (Figure 7) comprised three key stages, the first two of which have now been successfully completed:

- > process development test work on a 2.6t bulk sample from the West Deposit;
- > sighter test work on the second bulk sample taken from the East Deposit; and
- > mineralogical characterisation of twenty separate Heavy Mineral (HM) concentrates obtained from the drilling of the West, East, and South Deposits.

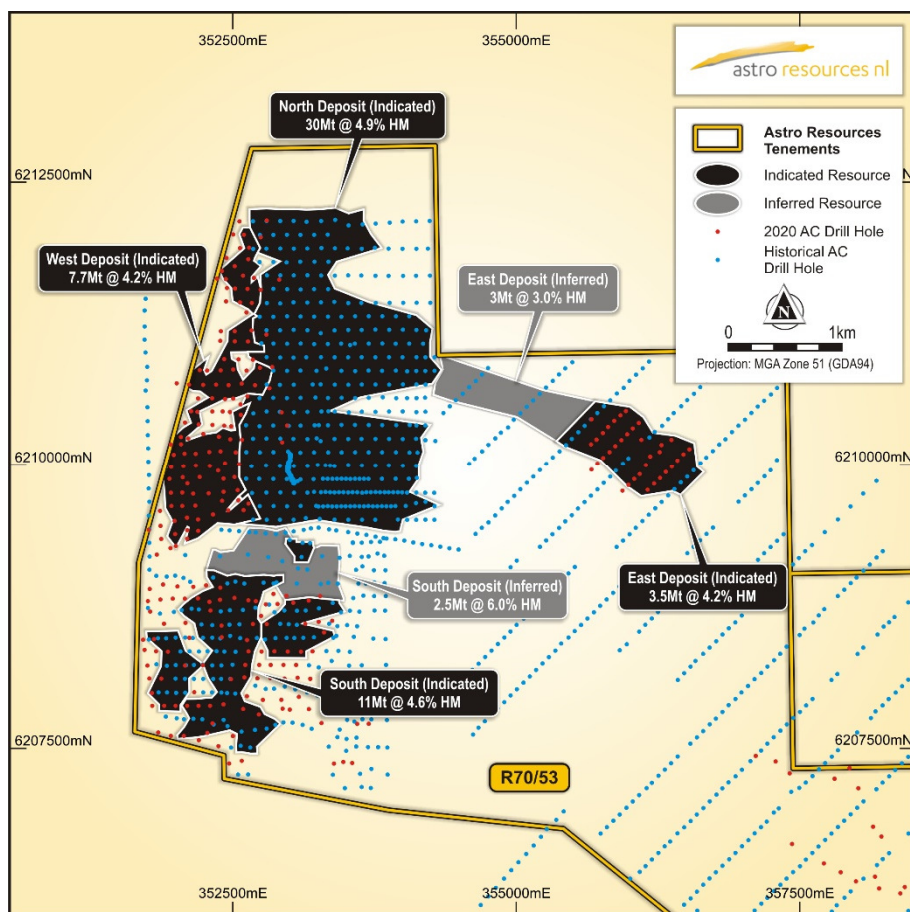


Figure 7. Governor Broome HM Deposits and air-core drill-holes

The test work has been carried out by Allied Mineral Laboratories Pty Ltd (Perth) (AML) under the supervision of TZ Minerals International Pty Ltd (TZMI).

The bulk samples were sourced from the full depth of the modelled HM mineralisation in all the air-core holes drilled by Astro into the West and East Deposits during early 2020 and as such, are representative of the HM mineralisation in each Deposit. Full details of the hole locations and HM intersections that provided the bulk samples can be found in the ASX release from 16 June titled “*Bulk Testwork Program Delivers Further Positive Results for Governor Broome Heavy Mineral Project*”.

Feed preparation plant test-work

The first stage of processing involved feed preparation to reject the slimes (the <45µm fines fraction) and the coarse material (the >2mm material) from the sand fraction containing the valuable heavy minerals. The West Bulk Sample processing employed a trommel, screen, and desliming cyclone while for the East Sighter trial, a 40kg split was taken from the East Deposit bulk sample and processed using two-tier screening process. Table 1 shows the proportions of the size fractions recovered from the two samples.

Table 1: Size Proportions of Bulk Samples

| <i>Fraction</i> | <i>West Deposit Mass %</i> | <i>East Deposit Mass %</i> |
|------------------------|---------------------------------------|---------------------------------------|
| <i>Coarse</i> | 2.7 | 0.9 |
| <i>Sand</i> | 85.6 | 89.8 |
| <i>Slimes</i> | 11.7 | 9.3 |

This stage of the test work successfully demonstrated the amenability of the material sourced from the Governor Broome deposit to processing, through the feed preparation circuit using conventional mineral sands processing equipment. The material was processed without difficulty, with the sand fraction containing the valuable heavy minerals readily liberated from the slimes without the need for energy intensive processing equipment.

A sample of the slimes was characterised by Outotec in Perth to evaluate settling performance. This work showed that the slimes behaved similarly to slimes found at other producing HM Deposits in Western Australia and that the slimes can be successfully thickened to high densities, resulting in maximum recovery of process water, an excellent outcome.

Wet Plant Test-work

West Deposit Bulk Sample

The metallurgical performance of the sand-fraction through the wet concentrator plant was assessed using full-scale gravity concentration spirals in a four-stage circuit followed by an attritioning/gravity upgrade stage. The processing successfully demonstrated that a heavy mineral concentrate containing valuable heavy minerals could be produced with a high recovery of valuable heavy minerals. The low-density gangue minerals were successfully rejected to tails producing a heavy mineral concentrate containing 97% heavy minerals.

A photomicrograph of the heavy mineral concentrate produced during the trial is shown in Figure 8.

Overall recovery of heavy minerals to the heavy mineral concentrate was above expectation at 78% with recovery of valuable TiO₂ (indicative of ilmenite) and ZrO₂ (indicative of zircon) minerals at 83% and 86% respectively. Opportunity exists to improve the recovery of valuable heavy minerals by targeting a lower HMC grade.

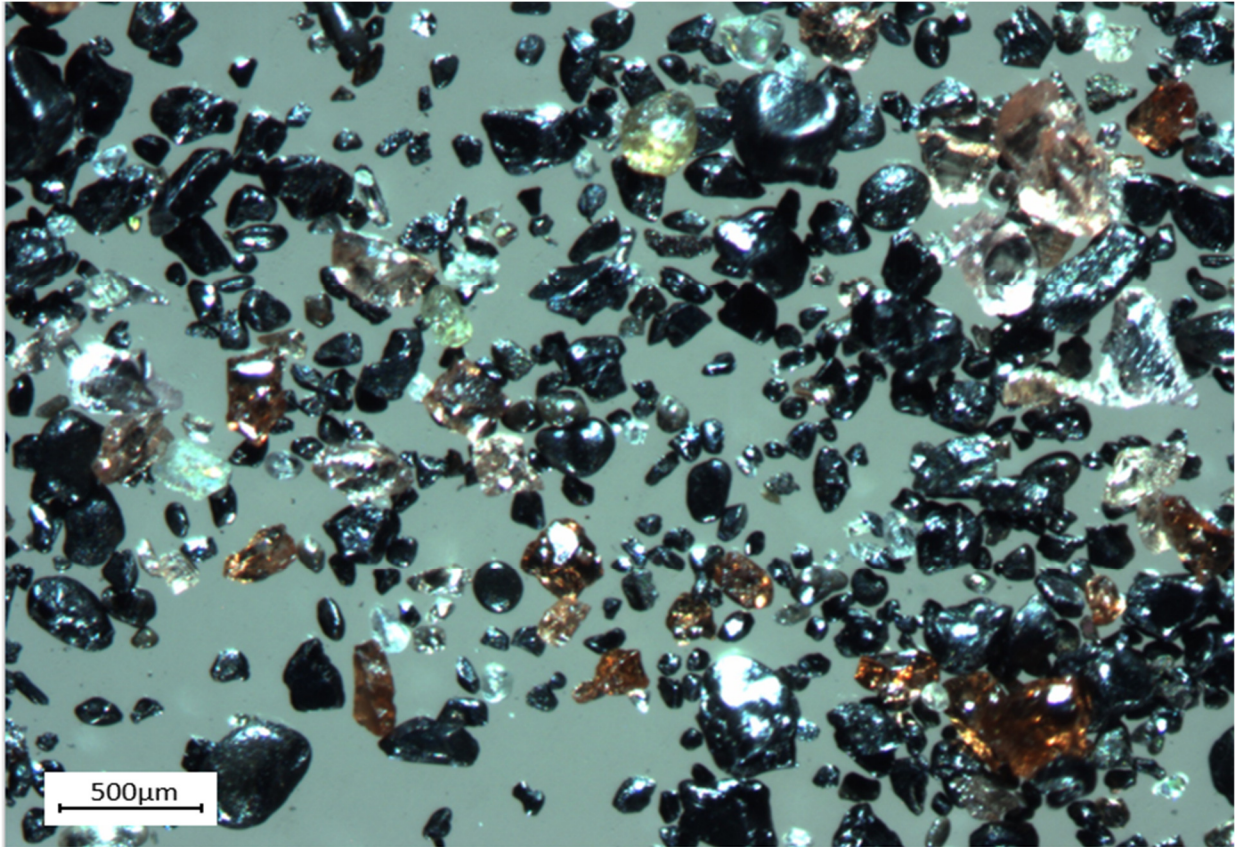


Figure 8. Photomicrograph of heavy mineral concentrate produced during the testwork program (Scale approximate)

East Deposit Sighter Sample

The East Deposit sighter sample sand fraction was successfully processed through a truncated version of the flowsheet using a wet shaking table. The East sample performed well through the gravity circuit with no processing difficulties encountered. Overall recovery of heavy minerals to the heavy mineral concentrate achieved was 89%, with recovery of valuable TiO_2 (indicative of ilmenite) and ZrO_2 (indicative of zircon) minerals at 93% and 98% respectively.

Overall, the wet circuit test work demonstrated the amenability of the material sourced from the Governor Broome deposit to processing using conventional mineral sands processing equipment and that high recoveries of valuable heavy mineral to a high grade heavy mineral concentrate could be achieved.

Dry Plant Test-work

The HMC produced from the West Deposit bulk sample was processed through a drymill flowsheet, making use of conventional mineral sands processing techniques and equipment, to investigate the potential quality of final mineral products.

The dry plant process was simulated at a pilot scale by employing multiple magnetic separation stages (RED and RER) followed by electrostatic separation and a screening stage to isolate ilmenite and garnet products. The non-magnetic stream, rich in zircon, was upgraded through stages of gravity, electrostatic, and high intensity magnetic separation to isolate zircon products and produce a concentrate rich in rutile.

The smaller sample of East Deposit HMC was processed through a truncated drymill flowsheet to provide indicative data for potential products.

The test work demonstrated that samples of both West and East HMC responded well to the dry circuit processing with ilmenite, zircon and garnet minerals readily isolated into final products. The magnetic primary ilmenite, making up most of the HMC, responded particularly well to the magnetic separation process with the bulk of the HMC flowing to this product during the primary magnetic separation stage.

Mineral Products

The drymill processing of the HMC successfully demonstrated that ilmenite, zircon, and garnet products could be recovered from the HMC. Rutile was also recovered to a non-magnetic concentrate containing the pyrite.

TZMI has assessed the ilmenite products and is of the opinion that:

- the Governor Broome ilmenite products compare favourably with other benchmark ilmenite products likely to compete with Governor Broome ilmenite in the global market
- the TiO_2 content in the primary and secondary ilmenite are within the typical range found in sulfate and chloride grade ilmenite respectively
- the critical impurities in the Governor Broome primary ilmenite are well below the generally acceptable thresholds for sulfate pigment manufacture
- the critical impurities in the secondary ilmenite product are sufficiently low for the ilmenite to be considered as a direct feed for chloride pigment production or as a feed for chloride slag manufacture
- based on the indicative specification, the Governor Broome primary ilmenite will be suitable either as a feed for sulfate pigment production or as smelter feed for chloride slag manufacture; and
- the secondary ilmenite could be targeted as a direct feed for chloride pigment production in western markets or as a feed for synthetic rutile or chloride slag manufacture.

The composition of the ilmenite products generated during the trial is provided in Table 2:

Table 2: Ilmenite Product Compositions

| Element | Primary Ilmenite | Secondary Ilmenite |
|--|------------------|--------------------|
| TiO₂ (%) | 50.8 | 60.9 |
| Fe₂O₃ (%) | 47.8* | 30.4* |
| Al₂O₃ (%) | 0.38 | 1.6 |
| CaO (%) | 0.05 | 0.10 |
| Cr₂O₃ (%) | 0.03 | 0.30 |
| MgO (%) | 0.26 | 0.30 |
| MnO (%) | 1.24 | 0.90 |
| Nb₂O₅ (%) | 0.13 | 0.20 |
| P₂O₅ (%) | 0.05 | 0.10 |
| SiO₂ (%) | 0.52 | 1.0 |
| V₂O₅ (%) | 0.16 | 0.30 |
| U+Th (ppm) | <20 | 135 |

*Total iron expressed as Fe₂O₃

TZMI has also assessed the zircon products and is of the opinion that:

- levels of ZrO₂ (+HfO₂) of Governor Broome primary zircon are consistent with selected competing premium zircon products in the marketplace
- based on the indicative specification, the Governor Broome zircon product meets the requirement for premium classification
- the Governor Broome planned zircon product is deemed suitable as a feed for opacifier (ceramic) or investment casting end-use to achieve premium pricing

Scoping Study

A Scoping Study will now be completed incorporating the results from this metallurgical test work. The preliminary studies (undertaken in June 2018 and October 2019) have been superseded by the increase in the Project's Indicated Resources from 30Mt @ 4.9% HM (previously only within the North Deposit) to a total of 52 Mt @ 4.6% HM.

Resource Upgrade

In May, 2021, following drilling programmes conducted in 2020, Astro announced a Resource update for its Governor Broome Heavy Minerals Project held within its 100% owned Retention Licence R70/53. The JORC Resource is 52Mt @ 4.6% HM of Indicated Resources at 4.6% HM and 6Mt @ 4% HM of Inferred Resources as shown in Table 3.

Table 3: Governor Broome Resources within R70/53 – at 2% HM lower block-cut-off grade

| Deposit | Category | Tonnage (Mt) | HM (%) | HM Adj ¹ (%) | Slimes (%) | Oversize (%) |
|--------------|------------------|--------------|------------|-------------------------|------------|--------------|
| West | Indicated | 8.0 | 5.0 | 4.2 | 13 | 7.5 |
| | | | | | | |
| East | Indicated | 3.5 | 4.2 | 4.2 | 12 | 3.7 |
| | Inferred | 3 | 3 | 3 | 14 | 3 |
| | | | | | | |
| South | Indicated | 11 | 5.6 | 4.4 | 15 | 11 |
| | Inferred | 2.5 | 6 | 4.5 | 16 | 9 |
| | | | | | | |
| North | Indicated | 30 | 4.9 | 4.9 | 12 | 8.1 |
| | | | | | | |
| Total | Indicated | 52 | 5.0 | 4.6 | 13 | 8.5 |
| Total | Inferred | 6 | 4.5 | 4 | 15 | 6 |

Note: 1. The HM grades for the South and West Deposits have been adjusted to discount excess trash minerals.

Jack Track

No work was undertaken during the quarter for the Jack Track deposit.

Lower Smoke Creek Diamond Project

There has been a temporary pause in the East Kimberley Diamond Program of Works (POW), due to delays in reaching an agreement with the Traditional Owners of the Lower Smoke Creek site - which is a condition of the POW.

As flagged in the Company's ASX release dated 31 May 2021, Astro has been in ongoing discussions with the Traditional Owners of the land to allow the Company to proceed with its field work. The details of such field work has been outlined in the Company's ASX release dated 21 February 2021. As also noted within this release, the Company received an agreement from the Traditional Owners legal representative, which, subject to what is considered to be a minor change, is in line with the Traditional Owners agreement. However, since that date, the Company has received a further counter proposal from the Traditional Owners, which will necessitate further negotiations.

Whilst this delay is unfortunate, Astro remains committed to continuing exploration at its Kimberley Diamond Project and has engaged SRK to assist in the preparation of an application to extend the current licence beyond August 2021. SRK will also review past work and will provide advice so that any future work will maximize the value for the project.

The funds secured in the capital raising in February 2021 that were originally earmarked for the Kimberley Diamond Project will be channelled into the Needles Gold Project in Nevada (as outlined in the Company's ASX release dated 31 May 2021) and other potential opportunities for the Company's Governor Broome Project in Western Australia.

Corporate

Capital Raising

On 29th April Astro reported that all resolutions at the Company's General meeting were passed. For full details pls see ASX Announcement 5May 2021.

ASX Additional Information

The Company provides the following information pursuant to ASX Listing Rule requirements:

1. ASX Listing Rule 5.3.1: Exploration and Evaluation Expenditure spend during the quarter was \$174,341. Full details of exploration activity during the June 2021 quarter are set out below:

| Property | Nature of expenses | \$ |
|----------------------|---|----------------|
| Needles | | |
| | Geology and Geophysics | 42,675 |
| | Environmental surveying [flora and fauna] | 14,441 |
| | Legal and compliance costs | 5,820 |
| Mineral Sands | | |
| | Geology and Geophysics | 85,470 |
| | Legal and compliance costs | 2,981 |
| Diamonds | | |
| | Geology and Geophysics | 15,280 |
| | Leasing and storage of equipment | 3,750 |
| | Legal and compliance costs | 3,924 |
| | Total Exploration costs | 174,341 |

2. ASX Listing Rule 5.3.2: there was no substantive mining production and development activities during the quarter.
3. ASX Listing Rule 5.3.5: Payment to related parties of the Company and their associates during the quarter was \$149,373 in cash. The Company advises that this relates to remuneration of Directors only. Set out below is the following additional information in relation to the cash flow statement :

| Name of Director | Nature of Payment | \$ |
|------------------|---|----------------|
| Gregory Jones | Ongoing director fees | 19,800 |
| Jacob Khouri | <ul style="list-style-type: none"> Ongoing director fees incurred during the June 2021 quarter; Directors fees incurred during previous quarters, not paid. | 71,823 |
| Vincent Fayad | <ul style="list-style-type: none"> Payment of ongoing CEO, Company Secretary and director fees | 57,750 |
| | Total | 149,373 |

END NOTES

The information contained in this announcement related to the Company's past exploration results is extracted from, or was set out in, the following ASX announcements which are referred to in this Quarterly Activities Report:

- 29 April 2021, 'Result of General Meeting'
- 5 May 2021, 'Completion of Tranche 2 Capital Raising'
- 24 May 2021, 'Governor Broome Resource Update'
- 31 May 2021, 'Confirmation of Chargeability Anomaly – Needles Project'
- 11 June 2021, 'Update on Kimberley Diamond Project'
- 16 June 2021, 'Bulk Testwork Results – Governor Broome'

This announcement has been authorised for release by the board.

More Information

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The information in this report as it relates to Mineral Resources and Exploration Results for the Governor Broome Deposit (excluding that of the Iluka JV) is based on information compiled by John Doepel, Director of Continental Resource Management Pty Ltd (CRM), who is a member of the Australasian Institute of Mining and Metallurgy. Mr Doepel has sufficient experience in mineral resource estimation relevant to the style of mineralisation and type of deposit under consideration 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". Mr Doepel consents to the inclusion in this announcement of the information in the form and context in which it appears.

The information in this report that relates to Exploration Results for the Needles Property is based on information compiled by Richard Newport, principal partner of Richard Newport & Associates – Consultant Geoscientists. Mr Newport is a member of the Australian Institute of Geoscientists 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 under the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Newport consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

List of tenements as at 30 June 2021

| Holder | Project | Lease | Location | Lease Status |
|---|-------------------|---|----------------------------|--------------|
| Governor Broome | Governor Broome | Retention Licence R70/53 (formerly E70/2372) | Nannup - Southern WA | Granted |
| Governor Broome (20%), Iluka Resources Limited (80%) | Governor Broome | Retention Licence R70/58 (formerly E70/2464) | Nannup - Southern WA | Granted |
| East Kimberley Diamond Mines | Lower Smoke Creek | E80/4120 | Kimberley - Northern WA | Granted |
| Needles Holdings | Needles | | Nevada - USA | Granted |

Appendix 5B

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

Name of entity

ASTRO RESOURCES NL

ABN

Quarter ended ("current quarter")

96 007 090 904

June 2021

| 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 | | |
| 1.2 | Payments for | | |
| | (a) exploration & evaluation (if expensed) | (175) | (1,080) |
| | (b) development | | |
| | (c) production | | |
| | (d) staff costs | (150) | (498) |
| | (e) administration and corporate costs | (90) | (511) |
| 1.3 | Dividends received (see note 3) | | |
| 1.4 | Interest received | - | 1 |
| 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) | - | - |
| 1.9 | Net cash from / (used in) operating activities | (415) | (2,088) |
| 2. | Cash flows from investing activities | | |
| 2.1 | Payments to acquire: | | |
| | (a) entities | | |
| | (b) tenements | | |
| | (c) property, plant and equipment | (42) | (42) |

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (12 months) \$A'000 |
|--------------------------------------|---|----------------------------|-------------------------------------|
| | (d) exploration & evaluation (if capitalised) | | |
| | (e) investments | | |
| | (f) other non-current assets | | |
| 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 (bonds for mining lease) | (8) | (8) |
| 2.6 | Net cash from / (used in) investing activities | (50) | (50) |

| | | | |
|-----------|---|---|---------|
| 3. | Cash flows from financing activities | | |
| 3.1 | Proceeds from issues of equity securities (excluding convertible debt securities) (after costs) | - | 5,301 |
| 3.2 | Proceeds from issue of convertible debt securities | - | 2,342 |
| 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(convertible note) | | |
| 3.6 | Repayment of borrowings | - | (2,252) |
| 3.7 | Transaction costs related to loans and borrowings | - | - |
| 3.8 | Dividends paid | - | - |

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (12 months) \$A'000 |
|--------------------------------------|---|----------------------------|-------------------------------------|
| 3.9 | Other | - | - |
| 3.10 | Net cash from / (used in) financing activities | - | 5,391 |

| | | | |
|------------|--|--------------|--------------|
| 4. | Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 | Cash and cash equivalents at beginning of period | 3,746 | 28 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (415) | (2,088) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | (50) | (50) |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | - | 5,391 |
| 4.5 | Effect of movement in exchange rates on cash held | - | - |
| 4.6 | Cash and cash equivalents at end of period | 3,281 | 3,281 |

| | | | |
|------------|--|------------------------------------|-------------------------------------|
| 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 | 1,881 | 2,346 |
| 5.2 | Call deposits | 1,400 | 1,400 |
| 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) | 3,281 | 3,746 |

- 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 (Director Fees)
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

| Current quarter \$A'000 |
|----------------------------|
| 149 |
| - |

Note : The above payments to directors reflect fees for services rendered during the current quarter as well as owing up to 31 March 2021. More information concerning the breakdown of the relevant director payments can be found within the accompanying Quarterly Announcement.

- 7. Financing facilities**
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.

- 7.1 Loan facilities
- 7.2 Credit standby arrangements
- 7.3 Other (please specify)
- 7.4 **Total financing facilities**

| Total facility amount at current quarter end \$A'000 | Amount drawn amount at previous quarter \$A'000 |
|---|--|
| - | - |
| - | - |
| - | - |
| - | - |

- 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.

Not applicable.

| | | |
|-----------|---|----------------|
| 8. | Estimated cash available for future operating activities | \$A'000 |
| 8.1 | Net cash from / (used in) operating activities (Item 1.9) | (415) |
| 8.2 | Capitalised exploration & evaluation (Item 2.1(d)) | (50) |
| 8.3 | Total relevant outgoings (Item 8.1 + Item 8.2) | (465) |
| 8.4 | Cash and cash equivalents at quarter end (Item 4.6) | 3,281 |
| 8.5 | Unused finance facilities available at quarter end (Item 7.5) | - |
| 8.6 | Total available funding (Item 8.4 + Item 8.5) | 3,281 |
| 8.7 | Estimated quarters of funding available (Item 8.6 divided by Item 8.3) | 7.1 |

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?

Answer: Although a response is not required, the Company intends to increase over the next three quarters its exploration activities for all of its projects and accordingly, this will reduce the funding for future quarters.

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: Again, although a response is not required, the Company is monitors its exploration activities closely and depending upon the requirements, may look to raising further capital to ensure that it can meet its objectives.

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: Again, although a response is not required, on the basis that the approvals are achieved at the General Meeting (refer to the activities statement), particularly for the issue of the "Tranche 2" shares and the conversion of the convertible notes are approved, the Company expects to be able to meet its business objectives. Otherwise, the Company would need to return the "Deposits in advance" (item 3.9) representing funds received from investors for the Tranche 2 shares and this would significantly deplete the Company's cash reserves.

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: 26 July 2021

Authorised 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.