

19 July 2021

June 2021 Quarterly Activities Report

Protean Energy Ltd (**Protean** or the **Company**) provides shareholders its quarterly report for the three-month period ending 30 June 2021.

Gwesan Vanadium Project Exploration Programme

On 5 May 2021, the Company announced the exploration results of Phases 1 and 2 of the Gwesan Vanadium Project in South Korea, which were designed to identify the vanadium potential of the Gwesan deposit through the historical data review and a geological survey, which was not limited to Protean's tenements.

The results relating to exploration target obtained by this preliminary exploration identified the prospects of deposit are divided into 4 regions, and the priority of potential target is estimated in the following order as DAWL > DAEL > North > South. Protean tenement (Gwesan 137) belongs to DAWL prospect which was investigated in 1970s by the Korea Institute of Energy and Resources (KIER) with 88 drill-holes (13,163 m) targeting the graphitic slate of Guryongsan formation. The historical 1970s KIER drilling data drilling was not complete enough for use in JORC 2012 Mineral Resource estimate but was used for geological modelling and exploration targeting purposes.

Unfortunately, subsequent to the end of the quarter, Protean was notified the historical drill cores from the DAWL prospect mineralization investigation in 1970's, were destroyed by the Korea Institute of Geoscience and Mineral Resources (KIGAM, the former KIER) in 2020 and as a result, will not provide sufficient data for a resource estimate in accordance with the JORC Code (2012).

The geological survey also confirmed that 3 ore-zones of the DAWL prospect have uranium and vanadium potential through this preliminary exploration, and especially the Dukyung orebody, which is considered to be repeated about 8 times due to tightly developed thrust imbricates at Gwesan 127.

The mineralization potential of the Gwesan 137 prospect remains open toward north-east along the strike, and the main potential is located at the adjacent tenement (Gwesan 127).

On 14 July 2021, Protean engaged its Korean geological consultants, GeoGeny Consultants Group Inc (GeoGeny), to commence planning a soil sampling program, of approximately 500 soil samples on the Gwesan 137 prospect.

Protean will advise shareholders once the soil sampling program design is finalized and the soil sampling program commences.

Gwesan Vanadium Project Background

The Geology in the Okcheon belt consists of meta-sedimentary sequence that is composed of three formations including the Wunkyori, Hwajeonri and Guryongsan. The stratigraphical sequence within the belt at the Gwesan project comprises a dark grey Phyllite, followed by the black shale (ore zone) and a fine grained sandstone. The historical drilling at the Gwesan project has intercepted black shale along a 10km strike.

The mineralised black shale has been under-targeted in the past and drilling completed in 2013 has shown and confirmed the potential for Vanadium mineralisation hosted by the black shale (refer ASX release 13 November 2013).

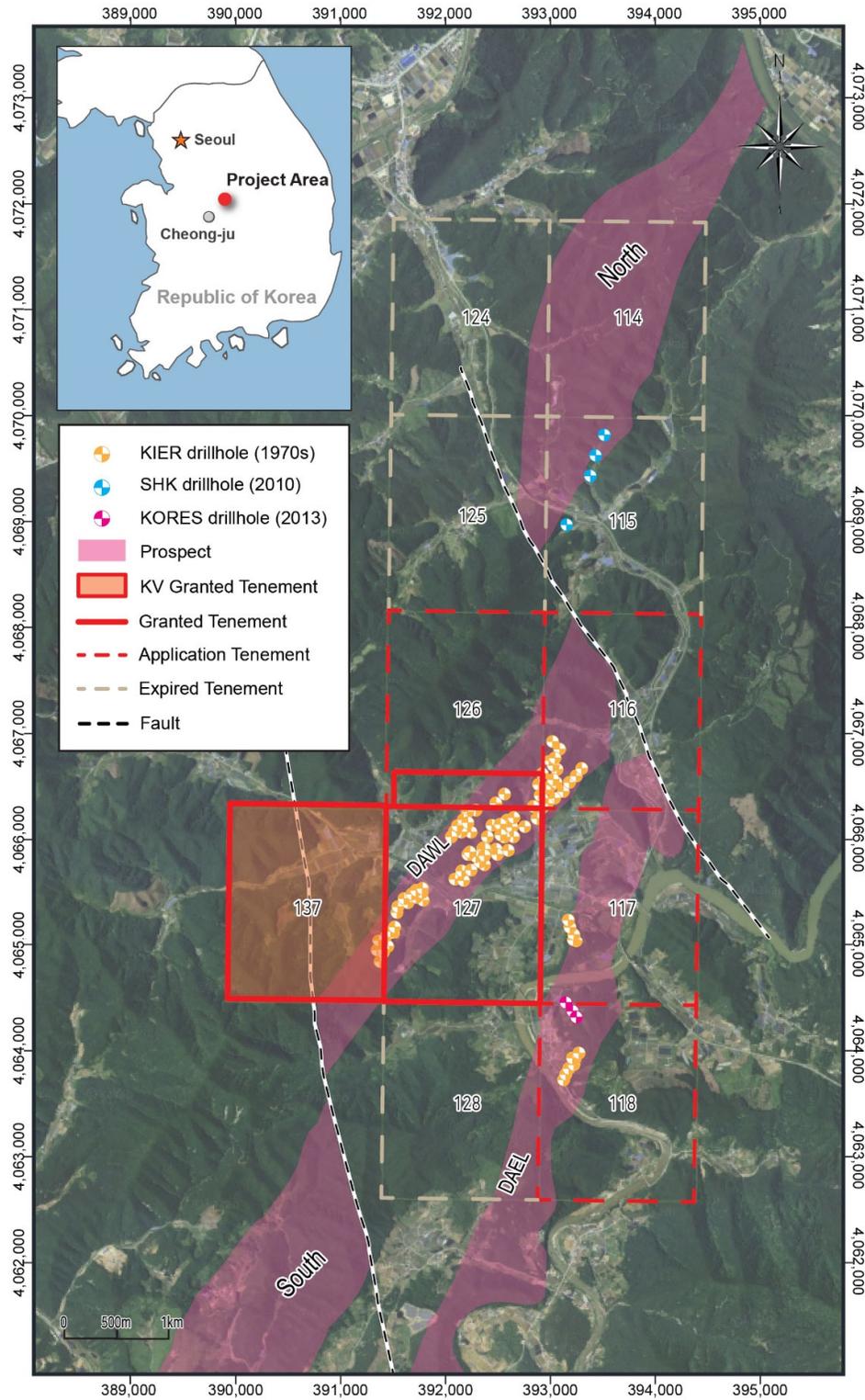


Figure 1. Location map of Gwesan vanadium project

Daejon Project

No material exploration was undertaken on the Daejon Project.

The Company is continuing to review the project to assess options moving forward.

Corporate

85,000,000 unquoted options (each convertible into one Share for \$0.037 on or before 30 June 2021) expired on 30 June 2021.

Additional ASX Information

Protean provides the following information pursuant to ASX Listing Rule requirements:

1. ASX Listing Rule 4.7C.1: The Company's net cashflow used in operations for the quarter was \$88,000. The Company's operational expenses mainly comprised of administration and corporate costs (\$47,000), staff costs (\$28,000) and exploration costs (\$13,000)
2. ASX Listing Rule 4.7C.3: In item 6 of the attached Appendix 4C, payments to related parties of approximately \$52,000 comprising of Director Services (\$28,000) and Non-Director Services – company secretarial services (\$12,000), accounting services (\$9,000) and serviced office (\$3,000) were paid during the quarter.

This release has been authorised for release by the Directors of the Company.

For further information, see www.proteanenergy.com or phone: T: + 61 8 6558 0886

ENDS

SCHEDULE A- KOREAN TENEMENT SCHEDULE

(100% held directly by SK Energy Metals Pty Ltd which is in turn 50% owned by Korea Vanadium Ltd). There was no change in the interests of the Gwesan tenement during the quarter.

| Tenement Name | ID | Registration No. | Expiry Date | Area (ha) | Mineral |
|---------------|-----|------------------|-------------|-----------|-------------------|
| Gwesan | 137 | 79161 | 11/01/2022 | 275 | Uranium, Vanadium |

Daejeon Group – detailed information

Daejeon Group includes Okcheon -136, -147, Daejeon -18, -28, -38, -48, -17, -7 in total 8 tenements. This group is considered as one tenement for exploration and mining to MRO under the Korean mining law. The below tenements have been granted a 1-year extension of term until November 2021

| Tenement Name | Area | ID | Registration No. | Expiry Date | Area (ha) | Interest Held at end of quarter | Changes during the quarter | Mineral |
|---------------|---------|-----|------------------|---------------|-----------|---------------------------------|----------------------------|-------------------------------|
| Daejeon Group | Daejeon | 18 | 77011 | November 2021 | 277 | 100% | 100% | Uranium, Vanadium, Molybdenum |
| | Daejeon | 28 | 77012 | November 2021 | 259 | 100% | 100% | Uranium, Vanadium |
| | Daejeon | 38 | 77013 | November 2021 | 277 | 100% | 100% | Uranium, Vanadium |
| | Daejeon | 48 | 77014 | November 2021 | 277 | 100% | 100% | Uranium, Vanadium |
| | Okcheon | 136 | 77010 | November 2021 | 138 | 100% | 100% | Uranium, Vanadium |
| | Okcheon | 147 | 77038 | November 2021 | 277 | 100% | 100% | Uranium, Vanadium |
| | Daejeon | 17 | 77039 | November 2021 | 103 | 100% | 100% | Uranium, Vanadium |
| | Daejeon | 7 | 77114 | November 2021 | 190 | 100% | 100% | Uranium, Vanadium, Molybdenum |
| | | | | | 1,798 | | | |

Competent Person Statement

The information contained in this ASX release relating to exploration results and Mineral Resources has been compiled by Mr Kahan Cervo of Optiro Pty Ltd. Mr Cervo is a Member of The Australasian Institute of Mining and Metallurgy 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 in the 2012 editions of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Cervo consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. Additionally, Mr Cervo confirms that the entity is not aware of any new information or data that materially affects the information contained in the ASX releases referred to in this report.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

PROTEAN ENERGY LIMITED

ABN

81 119 267 391

Quarter ended ("current quarter")

30 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) research and development | - | - |
| (b) product manufacturing and operating costs | - | - |
| (c) advertising and marketing | - | - |
| (d) leased assets | - | - |
| (e) staff costs | (28) | (124) |
| (f) administration and corporate costs | (47) | (362) |
| 1.3 Dividends received (see note 3) | - | - |
| 1.4 Interest received | 1 | 4 |
| 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) - Exploration expenditure | (13) | (238) |
| 1.9 Net cash from / (used in) operating activities | (87) | (720) |
| 2. Cash flows from investing activities | | |
| 2.1 Payments to acquire or for: | | |
| (a) entities | - | - |
| (b) businesses | - | - |
| (c) property, plant and equipment | - | - |
| (d) investments | - | - |

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (12 months) \$A'000 |
|---|----------------------------|--|
| (e) intellectual property | - | - |
| (f) other non-current assets | - | - |
| 2.2 Proceeds from disposal of: | | |
| (a) entities | - | - |
| (b) businesses | - | - |
| (c) property, plant and equipment | - | - |
| (d) investments | - | - |
| (e) intellectual property | - | - |
| (f) 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 | - | - |

| | | |
|---|----------|--------------|
| 3. Cash flows from financing activities | | |
| 3.1 Proceeds from issues of equity securities (excluding convertible debt securities) | - | 1,996 |
| 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 | - | (120) |
| 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 | - | 1,876 |

| | | |
|---|------|-------|
| 4. Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 Cash and cash equivalents at beginning of period | 2007 | 764 |
| 4.2 Net cash from / (used in) operating activities (item 1.9 above) | (87) | (720) |

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (12 months) \$A'000 |
|---|--|------------------------------------|---|
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | - | - |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | - | 1,876 |
| 4.5 | Effect of movement in exchange rates on cash held | - | - |
| 4.6 | Cash and cash equivalents at end of period | 1,920 | 1,920 |

| 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 | 1,400 | 1,287 |
| 5.2 | Call deposits | 520 | 720 |
| 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) | 1,920 | 2,007 |

| 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 | 52 |
| 6.2 | Aggregate amount of payments to related parties and their associates included in item 2 | - |
| <p><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></p> <p>Director fees - \$28,000</p> <p>Non-Director services:</p> <ul style="list-style-type: none"> - Company Secretarial services - \$12,000 - Accounting services - \$9,000 - Serviced office - \$3,000 | | |

| 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. | | |

| 8. Estimated cash available for future operating activities | \$A'000 |
|--|----------------|
| 8.1 Net cash from / (used in) operating activities (item 1.9) | (87) |
| 8.2 Cash and cash equivalents at quarter end (item 4.6) | 1,920 |
| 8.3 Unused finance facilities available at quarter end (item 7.5) | - |
| 8.4 Total available funding (item 8.2 + item 8.3) | 1,920 |
| 8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1) | 22 |
| <i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i> | |
| 8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions: | |
| 8.6.1 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 | |
| 8.6.2 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 | |
| 8.6.3 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 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 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:19 July 2021.....

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 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 standard applies 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.