

Quarterly Activities Report – Quarter ended June 2023

Summary

Innouendy - A series of leach tests have been conducted on Rare Earth Element (REE) mineralisation at Innouendy. These preliminary tests demonstrate that recoveries above 70% of the key economic REE can be achieved using relatively low acid additions at close to ambient temperatures and atmospheric pressures.

Belele - A regional reconnaissance aircore drilling program testing the extent of greenstone under cover along an unexplored extension of the Mingah Range Greenstone was completed. A total of 79 holes were drilled for 5012m. The drilling encountered a greenstone sequence of predominantly mafic volcanics with minor sediments and gabbroic intrusives. The sequence was variably sheared with evidence of potassic alteration and quartz veining in some holes. The drilling has confirmed that the Mingah Range Greenstone Belt extends through the entire 15km of the tenement (E51/1907) and is up to 3km wide.

The company secured exclusive rights to and began due diligence over two projects approximately 30km and 50km south of Belele, within the Meekatharra gold district. The **Little Gap Well project** is approximately 10km west of the Blue Bird Gold Mine straddling the western margin of the Meekatharra Greenstone Belt. The **Mt Opal project** is 18km west of Meekatharra and contains historic workings as well as an extensive gold in soil geochemistry anomaly which does not appear to have been adequately tested by drilling.

Dingo Pass - A Heritage survey at Dingo Pass was completed during the quarter and all proposed lines cleared. Subsequently, the company tested a 9km long zone along strike to the east of the Tower deposit for REE mineralisation.

Innouendy REE Leach Test Work

Preliminary testwork of the Innouendy mineralisation has focused on recovering the clay-hosted ionically and chemically bound components to ensure a relatively low-cost future process route.

The preliminary test work programme consisted of a series of leach tests on two composite samples covering the two main deposit areas, Main Zone and Cattle Yard, at different depths and REE grades (Figure 1). Samples were selected to include both higher grade samples and material which is typical of less mineralised clays.

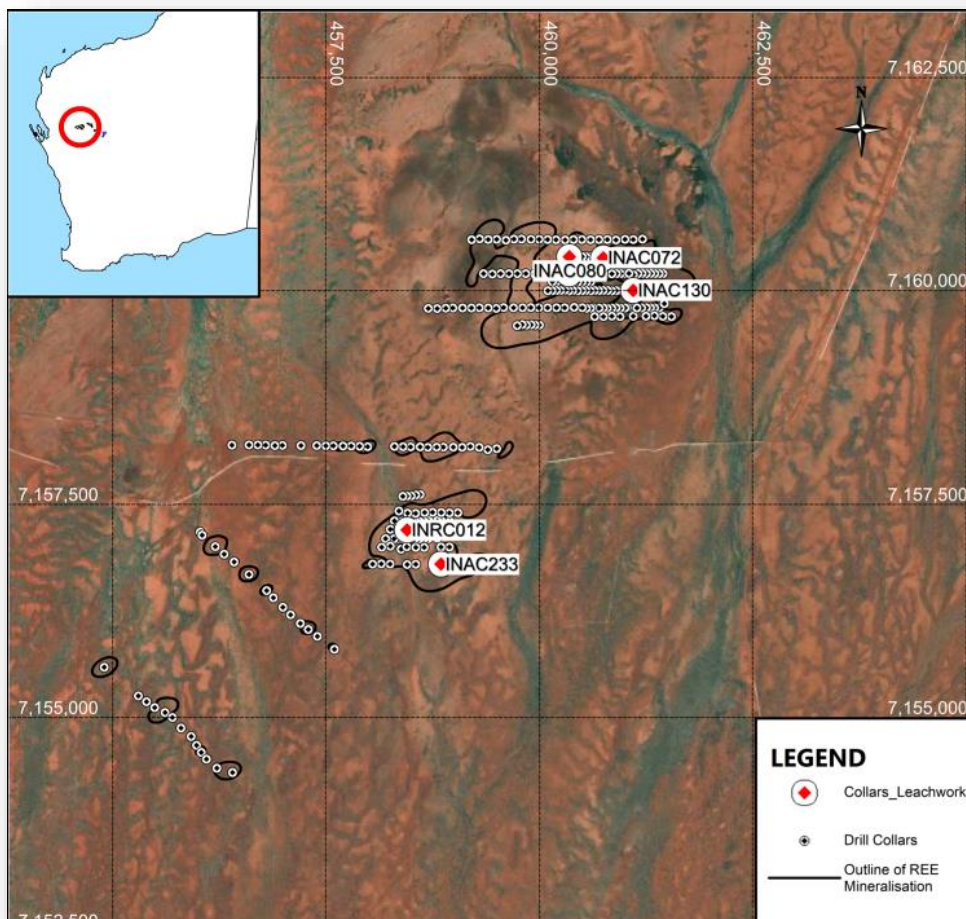


Figure 1. Location of Innouendy Leach Testwork Samples

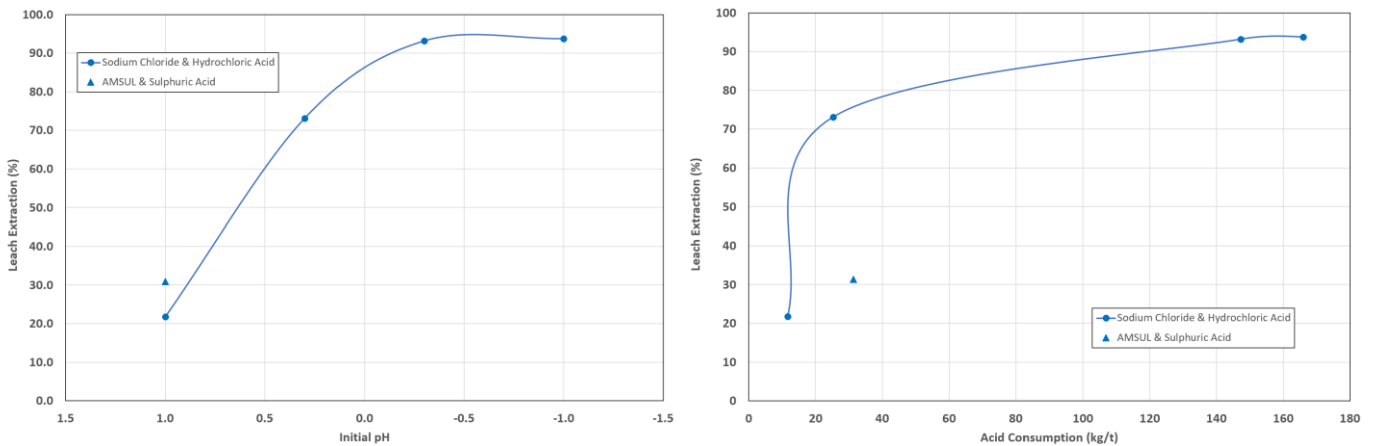
An initial series of leach tests were conducted on the individual composite samples using sulphuric acid and ammonium sulphate (AMSUL or $(\text{NH}_4)_2\text{SO}_4$) at pH 3, 2 and 1 over 24 hours at room temperature. Recoveries of REE for these initial tests were relatively low, indicating more aggressive leaching conditions are required.

A second series of leach tests were conducted at higher acid concentrations. All tests were conducted on a composite sample made up in equal parts from the five Main Zone deposit samples. Both hydrochloric and sulphuric acids (HCl and H_2SO_4) were trialled in the leach tests. For tests at pH1 ammonium sulphate or sodium chloride (NaCl) salts were added with either sulphuric or hydrochloric acids. Tests with acid concentrations stronger than pH1 only acids were added. All the tests were conducted at 40°C at atmospheric pressure over 48 hours. The solids concentration was maintained at 14% solids by weight. Results from the test work are provided in Figure 2.

These preliminary tests demonstrate that recoveries above 70% of the key economic REE can be achieved using relatively low acid additions at close to ambient temperatures and atmospheric pressures. Recoveries over 90% can be achieved by increasing acid additions. However, higher acid additions also result in higher acid consumption and increased dissolution of non-valuable elements resulting in increased downstream separation costs.

The results suggest that leaching is strongly impacted by kinetic factors (temperature, time, and acid concentration) and suggest the direction for future test work.

Based on the test work, both hydrochloric and sulphuric acid are effective at leaching REE. Selection of the most economic acid will depend on the cost of supply and ease of recovering acid remaining in solution after leaching.



Sample	Acid Added	Salt Added	Initial Solution pH	Acid Consumption (kg/t)	Free Acid (g/L)	Mass Loss (%)	48h Leach Extraction (%)																		
							TREE-Ce	La	Ce	Pr	Nd	Sm	Eu	Gd	Tb	Dy	Ho	Er	Tm	Yb	Lu	Y	Sc	U	Th
Test 1	H2SO4	0.5M AmSul	1.0	31.3	23.8	0.9	30.9	29.0	37.3	33.4	34.0	36.4	33.5	34.4	35.5	32.0	24.0	26.8	16.1	29.0	30.2	23.1	2.6	21.7	11.4
Test 2	HCL	0.5M NaCl	1.0	11.6	3.3	1.4	21.8	21.6	21.7	24.3	23.9	23.3	21.0	23.1	21.0	18.9	12.1	15.1	15.5	13.8	14.9	15.5	2.5	21.4	1.1
Test 3	HCL	-	0.3	25.2	23.8	2.0	73.1	73.3	65.7	79.5	79.8	78.2	72.0	74.8	72.0	64.7	66.2	45.8	56.7	45.2	41.7	52.2	9.0	33.4	35.7
Test 4	HCL	-	-0.3	147.3	90.4	14.3	93.2	93.7	97.7	99.6	99.7	95.9	87.2	95.0	93.2	85.2	85.8	66.4	82.6	69.0	67.6	72.3	13.2	45.4	73.4
Test 5	HCL	-	-1.0	165.9	208.6	18.0	93.8	94.4	94.8	98.2	98.8	96.6	87.5	96.2	97.2	90.5	98.4	72.8	75.7	78.1	80.6	74.9	32.3	59.4	91.6

Figure 2. Innouendy Leach Extraction at Decreasing pH (increasing Acidity)

A further series of leach tests on the individual samples used to make up the main zone composites has been commissioned. These tests will utilise a dilute acid solution of 25 g/l HCl at 40°C to show variability in recovery with location, grade or depth.

Beneficiation Testwork

The mineralised zones at Innouendy are predominantly hosted in clays weathered from primary granite intrusions which contain relatively high levels of REE's. The clay minerals are relatively fine. However, the more refractory REE containing minerals are often aggregated in coarser components within the mineralised zones, so size separation offers a potential mechanism for rejecting a significant amount of refractory material prior to leaching, while maximising retention of recoverable REE's.

The Innouendy Main Zone composite sample was screened and assayed to determine the distribution of REE's within the clays by size.

Results demonstrate that REE's are relatively concentrated in the fine, minus 75µm, fraction and that silica is concentrated in coarser fractions. Further work is planned to show if beneficiation of the material based on particle size prior to leaching is viable. If so, it would potentially reduce the amount of acid consumed.

Scandium Extraction

Scandium (Sc) is a light transition metal commonly found associated with REE deposits in low grades. It is relatively widely distributed in nature with an average crustal concentration of around 22 ppm, although very infrequently concentrated at levels at which it can be economically extracted. Grades of 100 ppm and higher are considered rare.

Scandium is used as an alloying additive in aluminium production for aerospace applications and in the production of hydrogen fuel cells. Scandium is typically produced and utilised as scandium oxide (Sc_2O_3) otherwise known as scandia. It is relatively difficult to extract and purify and is commonly produced as a byproduct of REE, alumina and nickel production. While a number of high scandium laterite resources have been identified in eastern Australia, these have not been developed due to the relatively high capital and operating costs required to extract scandium from these sources.

Exploration drilling at Innouendy has identified widespread zones of elevated (+50ppm) scandium levels, particularly within the Cattle Yard deposit area. While these grades are unlikely to be high enough to justify development on their own, when extracted in conjunction with REE, scandium may form a valuable by-product. As part of the REE leach test work programme two high grade (>50ppm) Sc samples were included in the variability samples to test the potential for recovering scandium as a valuable byproduct along with REE's. Results from these higher grade Sc zones are still pending.

During the leaching of the Main Zone composite 9% of scandium was leached along with the REE's at moderate (25 g/l HCl) acid concentration in solution after 48h at 40°C. It is likely that extraction will increase if leach times are extended and/or temperatures and acid concentration are increased. The variability test work currently underway includes two samples with elevated scandium levels. Results from this work will assist in developing a better understanding of the potential for scandium production as a by-product at Innouendy.

Further Testwork

Based on the initial test work results, longer leach times and higher temperatures are likely to significantly increase REE recoveries. In commercial operation the practical way to achieve this is by utilising vat or heap leaching to extend the leaching time. Therefore, future test work will focus on column trials to establish the viability of vat or heap leaching and in particular the permeability of the Innouendy clays and establishment of an appropriate agglomeration methodology if this is required.

Innouendy - REE Recovery Testwork Programme Methodology

1. Sample Preparation

- Prepare composite, homogenise & split out for testwork and head analysis.
- Moisture content determination.
- Prepare composite samples: Main Zone and Cattle Yards
- Prepare Main Zone Composite for size analysis (blending & splitting).

2. Sample Characterisation

- Pulverise head sample.
- Pulverise size fraction samples and area composite head samples.
- Solid Analysis method ME-MS81D by ALS Geochemistry.

3. Leach Tests

- Leach Tests on Main Zone Composite over 48 hrs.
- Conduct three HCl leach tests at 40°C in 25, 100 and 220 g/L HCl.
- Conduct two leach tests at 40°C targeting pH 1 with
 - i. Addition of 32% HCl and 0.5M NaCl,
 - ii. Addition of 98% H₂SO₄ with 0.5M AMSUL.
- Kinetic Leach Tests with 0.5M AMSUL over 24 hrs
- Variability Leach testwork
 - i. Kinetic tests at ambient temperature targeting at pH 1 Collect samples at: 0.25, 1, 4, 8 & 24hr
 - ii. Tests at ambient temperature targeting pH 2 and 3 No intermediate samples, 24 hr Leach Tests on with 0.5M AMSUL over 24 hrs
 - iii. Leach tests on eight primary samples at 40°C and 25 g/l HCl over 48h.
- Leach Solution Analysis - base metals, rare earths, U & Th by ICP.

4. Leach Residue Analysis

- Pulverise leach residue samples.
- Solid Analysis method ME-MS81D by ALS Geochemistry.

Belele Project

The regional reconnaissance aircore drilling program testing the extent of greenstone under cover along an unexplored extension of the Mingah Range Greenstone was completed. A total of 79 holes were drilled for 5012m, (Figure 3).

The drilling encountered a greenstone sequence of predominantly mafic volcanics with minor sediments and gabbroic intrusives. The sequence was variably sheared with evidence of potassic alteration and quartz veining in some holes. The drilling has confirmed that the Mingah Range Greenstone Belt extends through the entire 15km of the tenement (E51/1907) and is up to 3km wide. This is a very substantial volume of greenstone belt prospective for gold and VMS mineralisation, previously unexplored due to shallow transported cover. The assays from the drilling returned only low-level gold anomalism (maximum value 58ppb Au). Copper values peaked at 267ppm and nickel at 0.118%. While low, these values are considered encouraging given that the drill traverses are up to several kilometres apart and that no previous effective exploration has taken place over the tenement due to the transported cover sequence blanketing the greenstone belt. The shearing, alteration and veining encountered also provide encouragement to persist with exploration in the belt. The company has extended the Belele project by applying for two additional adjoining claims - E51/2162 and E51/2163, (Figure 4).

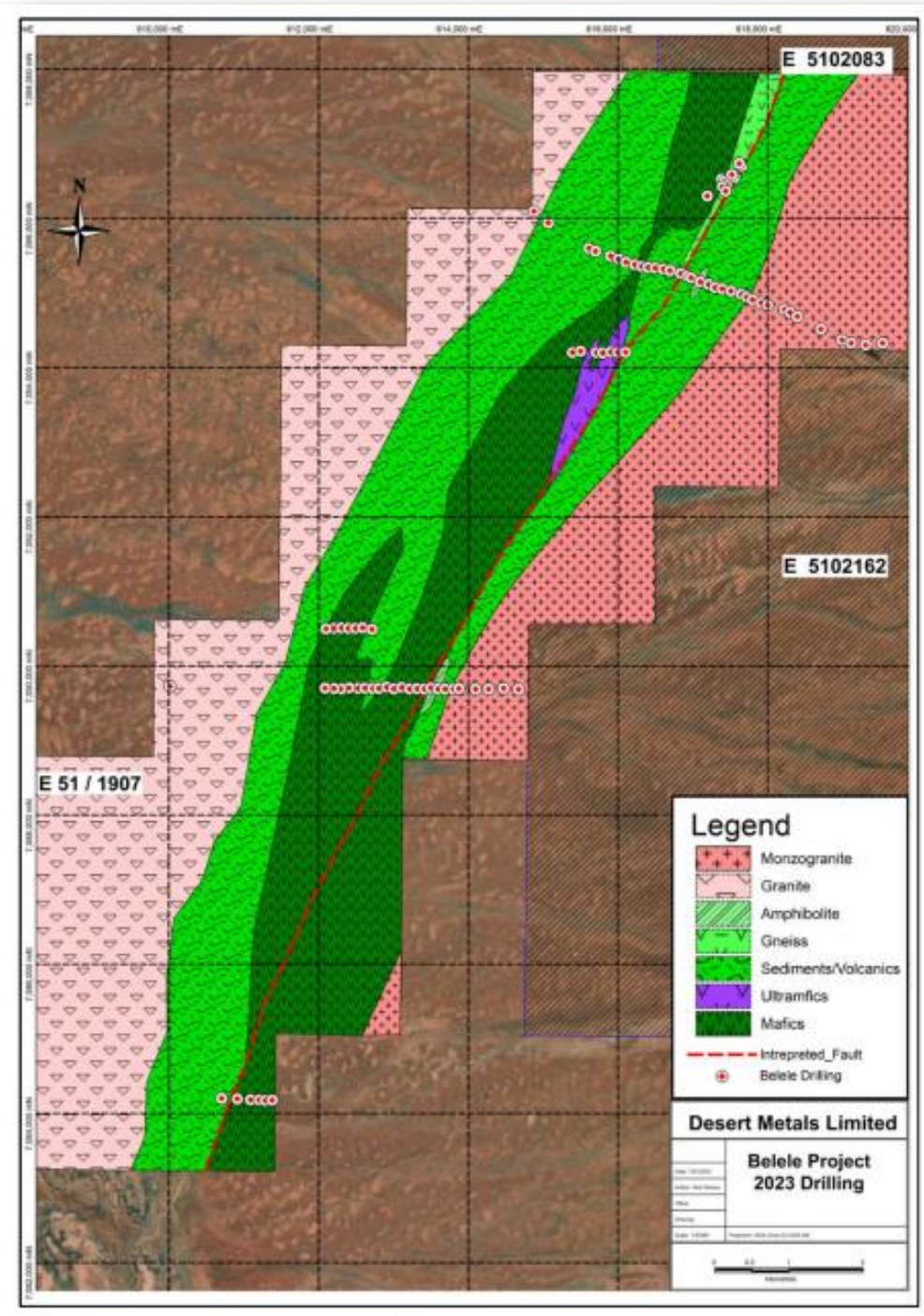


Figure 3. Interpreted geology at Belele from recent drilling

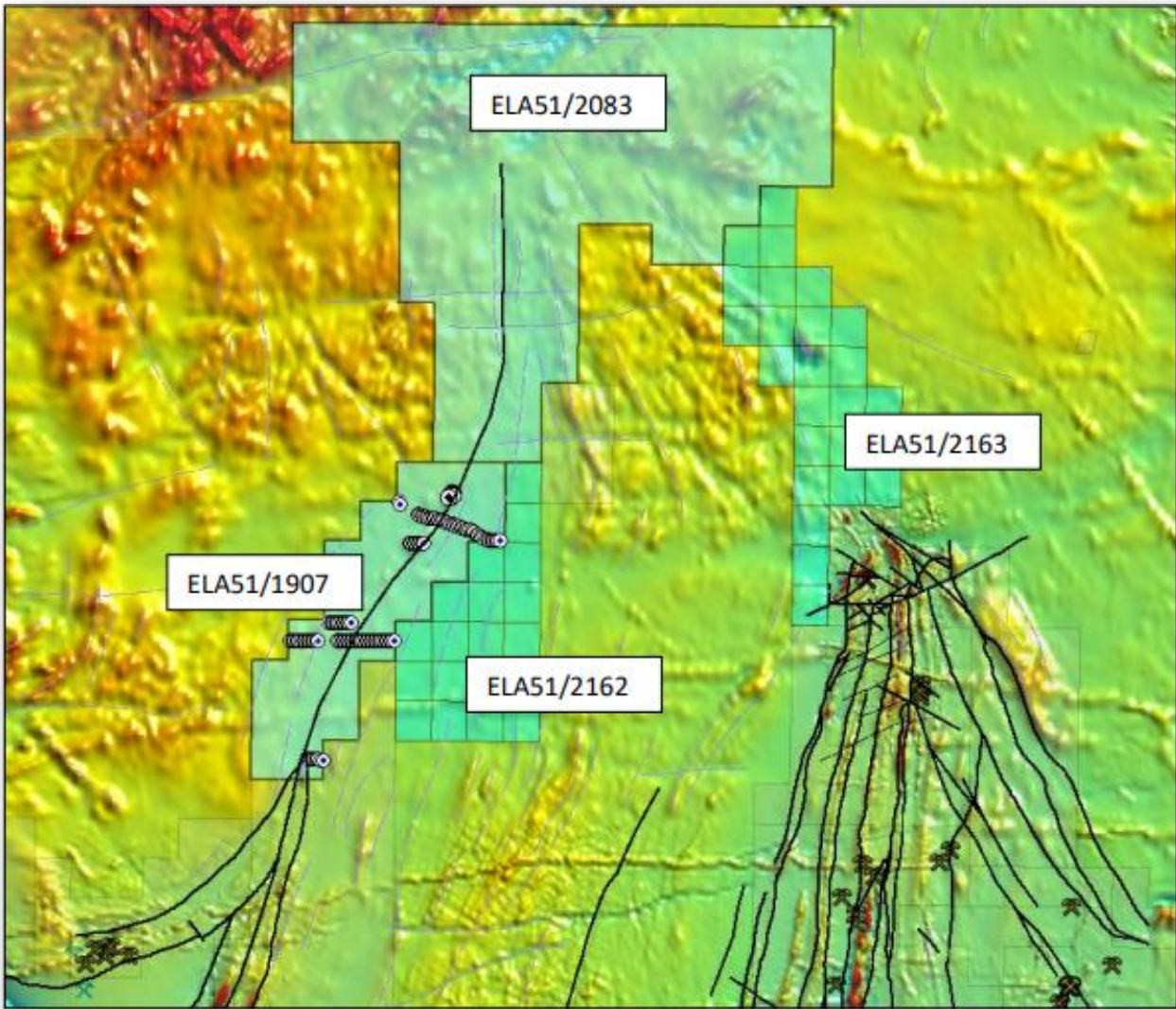


Figure 4. Drill collars within Belele license EL51/1907. Location of additional claims shown (and annotated). Background image RTP magnetics

Little Gap Well, Mt Opal Prospects

DM1 has secured a three-month exclusive due diligence period to review two projects approximately 30km and 50km south of Belele, within the Meekatharra gold district (Figure 6).

The Mt Opal project is 18km west of Meekatharra and contains historic workings (Figure 5), as well as extensive gold metal detecting scrapings. The vendor has compiled historic data over the project to reveal an extensive gold in soil geochemistry anomaly which does not appear to have been adequately tested by drilling (Figure 9). The main historic workings also appear to have only had limited shallow drilling which may not have been oriented correctly to intersect the line of lode being mined in the workings. DM1 will validate the soil anomaly and field check the extent of previous drilling as part of its due diligence. Initial reconnaissance at the projects located several historic workings as well as numerous areas of more recent gold prospecting (metal detecting). Several grab samples were taken and returned encouraging results (Figure 7).



Figure 5. Ajax Mine Historic Working inside the Mt Opal Project

The Little Gap Well project is approximately 10km west of the Blue Bird Gold Mine (Figure 10) and also contains historic workings, dry blowings and extensive gold metal detector scrapings. The project covers 14,500 Ha (145km²) of tenure straddling the western margin of the Meekatharra Greenstone Belt. The approximately 15km of prospective strike length appears to be largely untested with very little reported drilling or geochemistry.

In addition to gold prospectivity the project also contains a line of copper workings (malachite) that may represent Volcanogenic Massive Sulphide (VMS) mineralisation (Figure 10).

Subject to successful due diligence, DM1 has the option to acquire up to 80% of the projects from a private company via staged payments of cash and shares as follows:

- Stage 1: Option to acquire a 60% interest in the projects for \$50,000 cash, 2,500,000 shares and 1,250,000 share options at 15c. The Option period expires at the end of the 3-month due diligence period.
- Stage 2: Option to acquire an additional 20% interest (80% total interest) in the projects for 4,500,000 shares and 2,250,000 share options in DM1 at 15c. The Option period expires 12 months from commencement of the due diligence period. In addition, as part of Stage 2, a 1% Net Smelter Royalty (NSR) will be granted to the vendor over the projects with DM1 having the right to buy back 50% of the NSR for \$1,000,000 within five years of the date of its grant. DM1 also has right of first refusal to acquire the remaining 20% of the projects.

The new projects, combined with Belele, would give the company a significant portfolio of gold projects to complement its current focus on nickel and REE's in the Narryer Terrane.

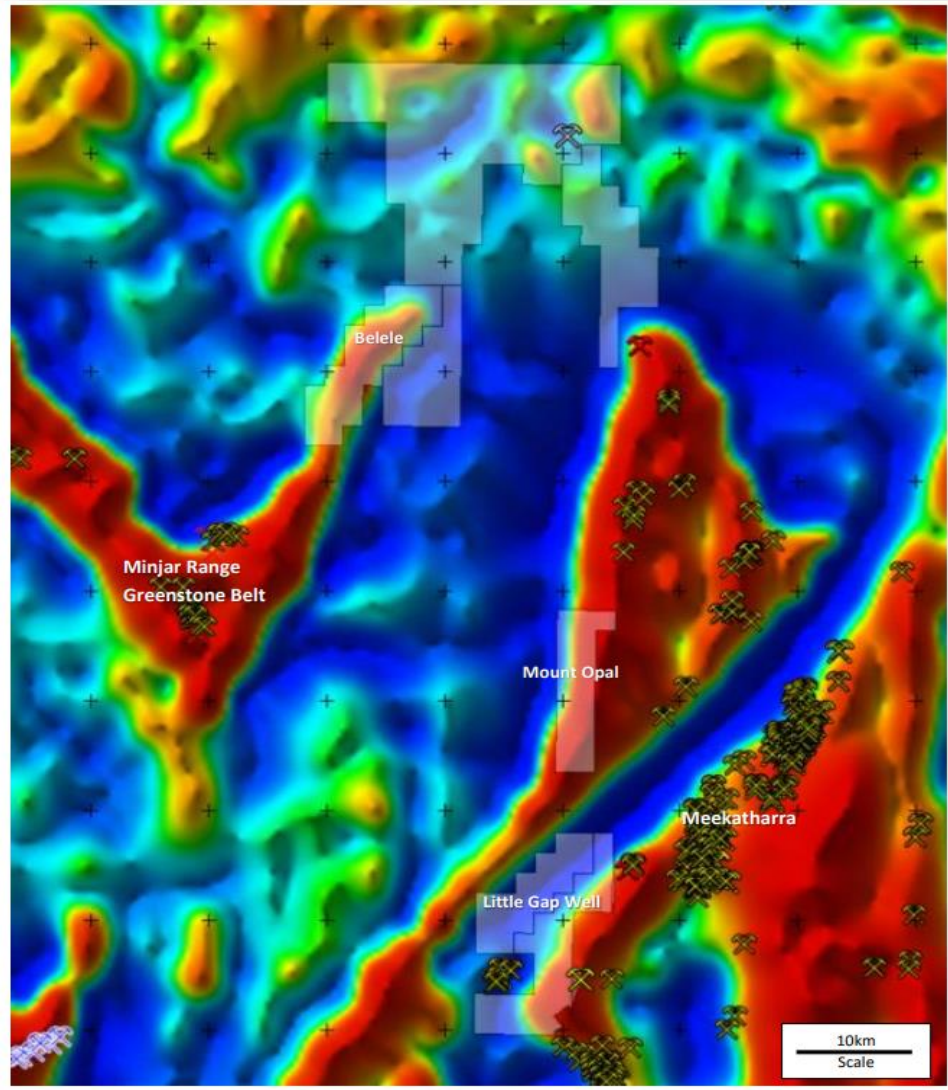


Figure 6. Little Gap Well and Mount Opal Projects. Background Image Bouguer Gravity.

Initial Work Completed by Desert Metals

Initial reconnaissance at the projects located several historic workings as well as numerous areas of more recent gold prospecting (metal detecting). Several grab samples were taken and returned encouraging results (Figure 7).

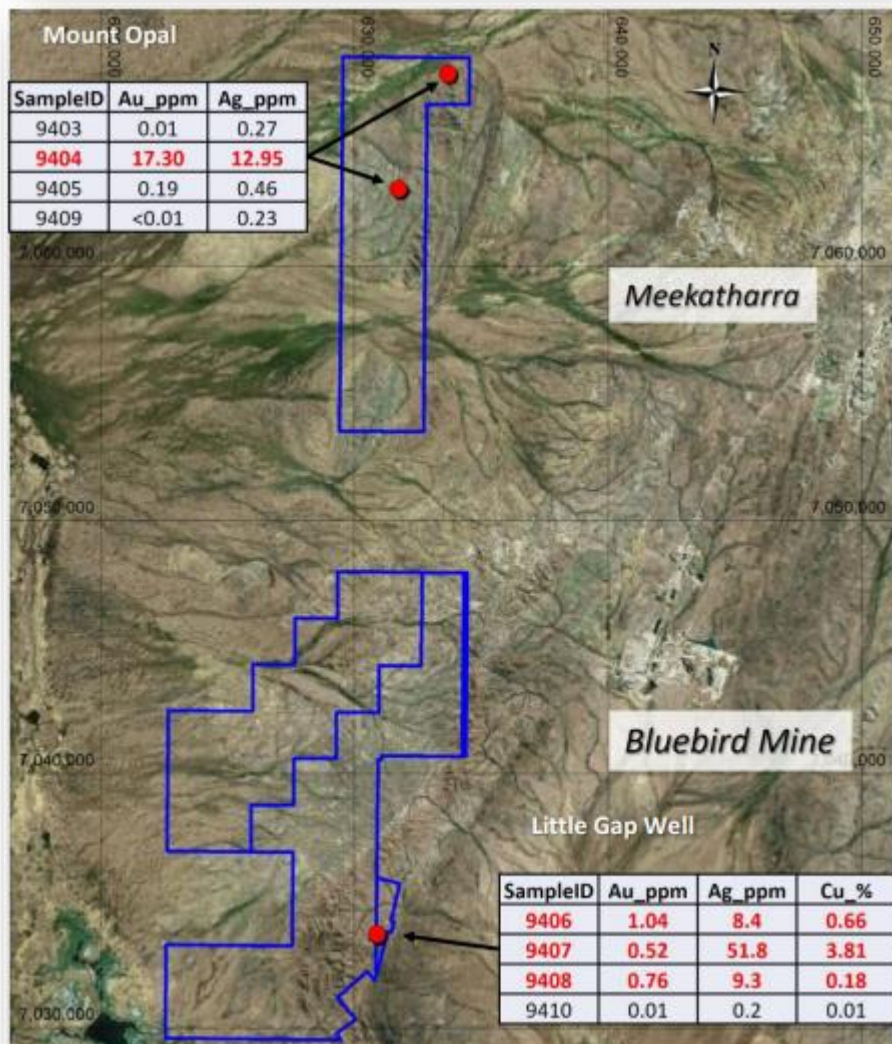


Figure 7. Grab samples from Little Gap Well and Mt Opal

The best result at Mount Opal of 17.3g/t Au was returned from the historic AJAX Mine working (Figure 8). The sample was taken from the mullock pile at the main shaft which is at least 10m deep. The sample comprised sheared and potassically altered wall rock with no appreciable quartz veining. This line of workings does not appear to have been adequately tested by drilling.



Figure 8. Ajax Mine Historic Working, with inset of mullock material which assayed 17.3g/t Au.

At the Little Gap Well project gold values of up to 1g/t and copper values of up to 3.8% were returned in grab samples from the historic Little Gap Well workings (Figure 10). This line of workings appears to have potential for VMS mineralisation. As part of the due diligence process an extensive soil sampling program has been completed at Little Gap Well.

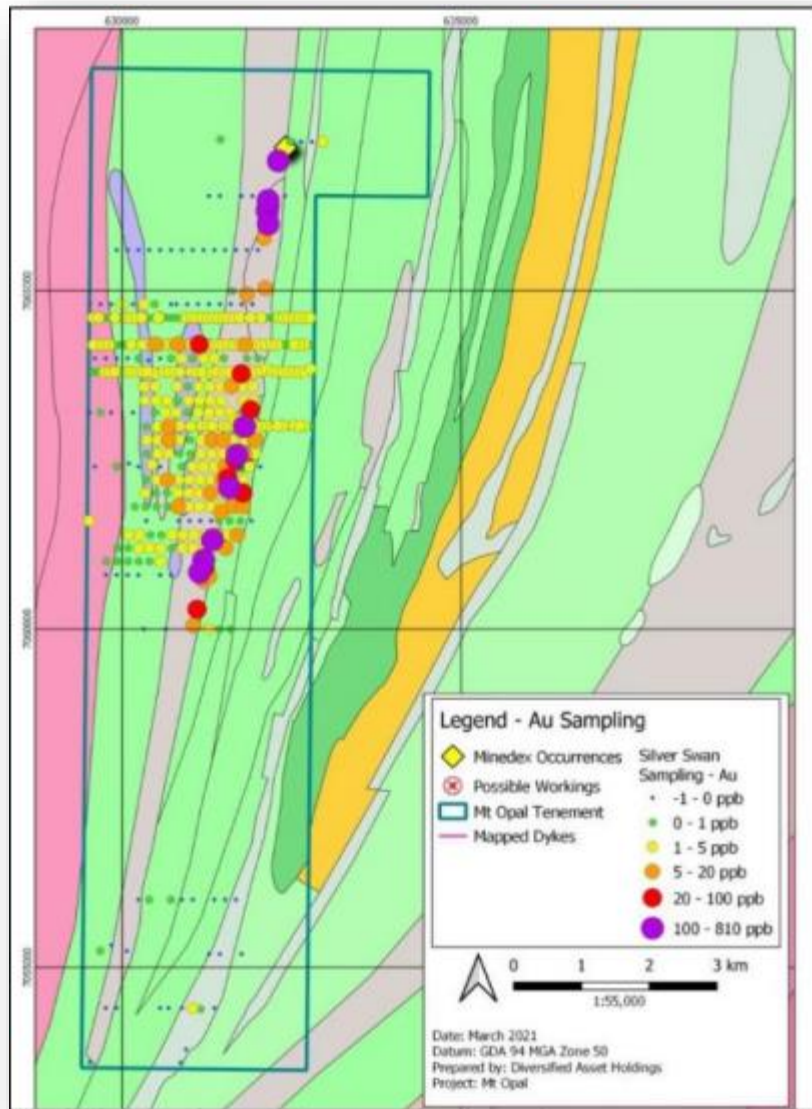


Figure 9. Gold in Soil Geochemistry Compiled from WAMEX, Mt Opal Project.

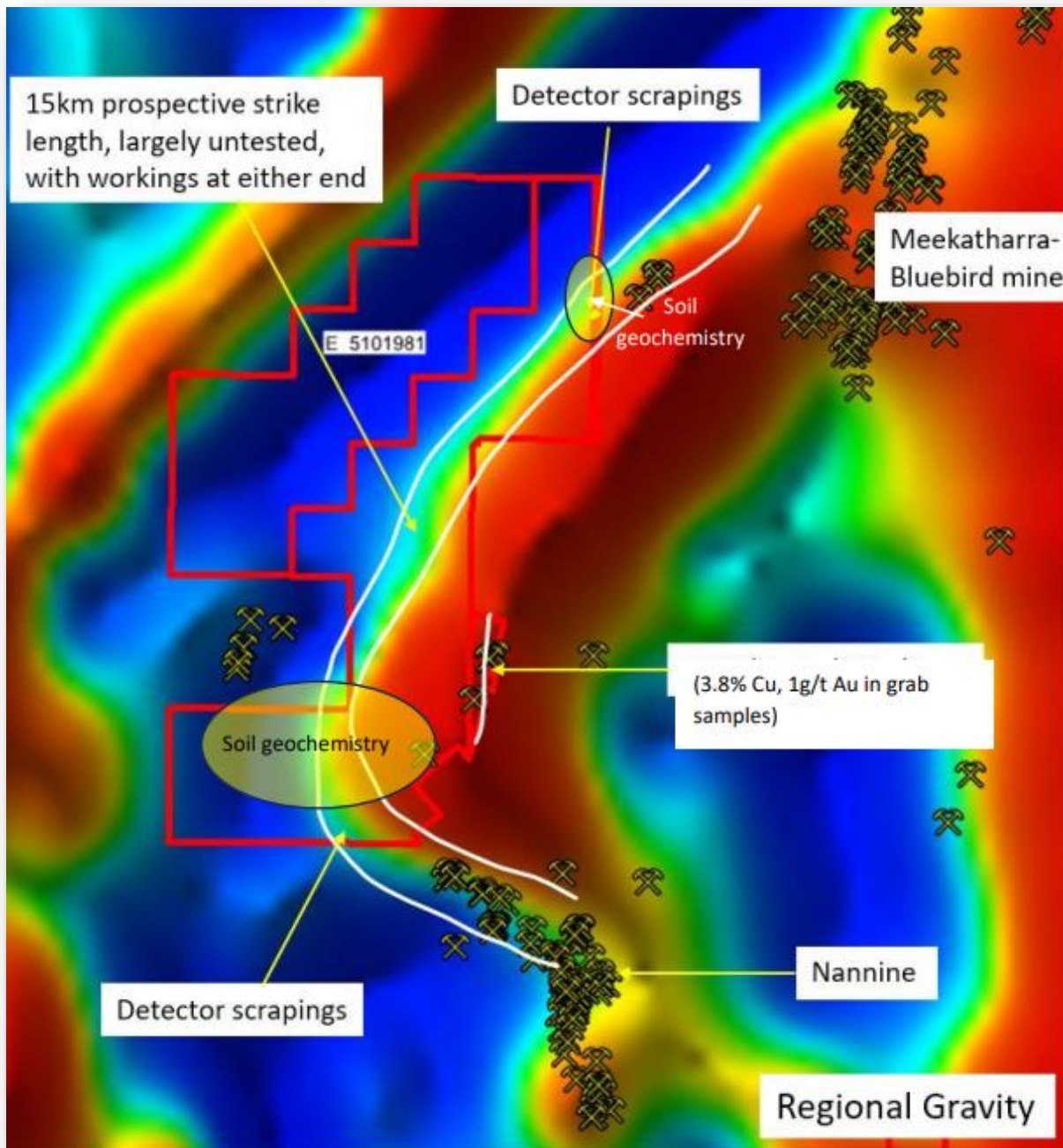


Figure 10. Soil geochemistry and grab samples taken from Little Gap Well during Q2 2023

Dingo Pass Project –REE Prospect

In November 2022, Krakatoa Resources Limited reported a JORC compliant resource of 101Mt @ 840ppm TREO at their Tower prospect (ASX:KTA 21 November 2022). The eastern limit of the resource is truncated by the Dingo Pass tenement boundary with remote sensing and radiometric data suggesting the REE mineralisation was likely to continue into the Dingo Pass Project.

Field reconnaissance with a portable XRF tool by DM1 personnel in late 2022 has confirmed the presence of elevated REE's within the Dingo Pass tenement east of the Tower deposit. Considering that Krakatoa's defined resource does not typically outcrop at surface, these surface sample results are particularly encouraging.

A Heritage survey at Dingo Pass was completed during the quarter and all proposed lines cleared. Subsequently, the Company tested a 9km long zone along strike to the east of the Tower deposit for REE mineralisation. Mineralisation in the area is typically flat lying, shallow and hosted in the clay horizon which leads to relatively quick and inexpensive drilling campaigns. A program of aircore drilling completed 100 holes for a total of 2973m with samples submitted to the lab for analysis.

Tenement Status

The company confirms that all the company's tenements remain in good standing. The company has applied for an additional two tenements during the quarter and has not disposed of any. The company further confirms that as at the end of the quarter the beneficial interest held by the company in the various tenements has not changed. Details of the tenements are set out in Annexure 1.

Payment to Related Parties

The company advises that payments to related parties of \$171,540 included Directors' fees, legal fees, CEO and executive management fees and consulting fees for geophysical and geological interpretation.

Summary of Exploration Expenditure

In accordance with ASX listing Rule 5.3.1 the company advises that the cash outflows on its mining exploration activities reported in 1.2(a) of its Appendix 5B for the March 2023 quarter are as follows:
Exploration: \$637,060.

Authorised by the Board of Desert Metals Limited.

Competent Person Statement

The information in this announcement that relates to Metallurgical Testwork is based on, and fairly represents, information and supporting documentation prepared by Mr Philip Reese, a competent person who is a member of the Australasian Institute of Mining and Metallurgy. Mr Reese has a minimum of five years' experience which is relevant to the style of mineralization 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 Edition of the Joint Ore Reserves. Mr Reese is an independent consultant and holds securities in the company. Mr Reese has consented to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

The information in this announcement that relates to Exploration Results is based on, and fairly represents, information and supporting documentation prepared by Tony Worth, a competent person who is a member of the Australasian Institute of Geoscientists. Mr Worth has a minimum of five years' 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 Edition of the Joint Ore Reserves. Mr Worth is a related party of the company, being a Director, and holds securities in the company. Mr Worth has consented to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

Corporate Information

Company Secretary

Paul Heatley

Forward shareholder enquiries to

Automic Group,

Tel: 1300 288 664,

Web: investor.automic.com.au

Issued Capital

As at the date of this report the total fully paid ordinary shares on issue were 72,541,078.

Annexure 1 - Tenement Information

In accordance with listing rule 5.3.3, the table below shows the interest in tenements held by the company.

TenID	Type	Ten Status	Ownership	Holder
E 0902303	Exploration License	Live	100%	Desert Metals Limited
E 0902330	Exploration License	Live	100%	Desert Metals Limited
E 0902331	Exploration License	Live	100%	Desert Metals Limited
E 0902351	Exploration License	Live	100%	Desert Metals Limited
E 5101901	Exploration License	Live	100%	Desert Metals Limited
E 5101907	Exploration License	Live	100%	Desert Metals Limited
E 5203650	Exploration License	Live	100%	Desert Metals Limited
E 5203665	Exploration License	Live	100%	Desert Metals Limited
E 5203741	Exploration License	Live	100%	Desert Metals Limited
E 5102083	Exploration License	Pending	100%	Desert Metals Limited
E 5102162	Exploration License	Pending	100%	Desert Metals Limited
E 5102163	Exploration License	Pending	100%	Desert Metals Limited

Appendix 5B

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

Name of entity

Desert Metals Limited

ABN

84 617 947 172

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	-	-
1.2 Payments for		
(a) exploration & evaluation	(637)	(2,970)
(b) development	-	-
(c) production	-	-
(d) staff costs	(53)	(221)
(e) administration and corporate costs	(155)	(625)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes received	34	344
1.7 Government grants and tax incentives	-	166
1.8 Other (provide details if material)	-	4
1.9 Net cash from / (used in) operating activities	(811)	(3,302)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	(10)	(11)
(c) property, plant and equipment	(1)	(40)
(d) exploration & evaluation	-	-
(e) investments	-	-
(f) other non-current assets	(54)	(54)

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 (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	(65)	(105)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	2,527
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	-	(165)
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	-	2,362

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,845	3,014
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(811)	(3,302)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(65)	(105)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	2,362

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 (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	1,969	1,969

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	1,969	2,845
5.2	Call deposits	-	-
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)	1,969	2,845

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	171
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

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.

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

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 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)	(811)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(10)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(821)
8.4 Cash and cash equivalents at quarter end (item 4.6)	1,969
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	1,969
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	2.39
<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: Not applicable	
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: Not applicable	

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: Not applicable

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: 31 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.