**31 July 2023**

**ASX:SPD, JSE:SDL**

**ACN: 646 399 891**

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## Corporate Directory

**Chairman**
Mike Stirzaker (Interim)

**Managing Director**
Johan Odendaal

**Non-Executive Directors**
Rob Thomson
Daan van Heerden
Geoff Hiller

**Company Secretary**
Andrew Cooke

## Top 5 Shareholders

Nicholas Daniel Resources Pty ltd
Nurinox Investments Pty Ltd
Citicorp Nominees Pty Ltd
Legacy Platinum Corporation
UBS Nominees Pty Ltd

## Company Overview

Dual-listed platinum group metal (PGM) company developing the advanced Bengwenyama PGM project, particularly rich in palladium/rhodium, located in South Africa's prolific Bushveld Complex.

## Contact:

E: info@southernpalladium.com
W: www.southernpalladium.com

# Quarterly Activities Report for 30 June 2023

## JUNE QUARTER HIGHLIGHTS

### Operational:

- **The total Mineral Resource (Indicated and Inferred) for the project has now increased from a 3PGE+Au Inferred Resource of 18.80Moz to a 6PGE+Au Indicated and Inferred Resource of 25.12Moz, an increase of 34% since drilling began.**
- **Drilling during the quarter has focussed on key areas as part of preparing for the Pre-Feasibility Study (PFS) expected in first quarter 2024, being the area shown as the Payback area where initial entry to the underground is planned as well as the Horst area which is a potential entry point for a second decline development.**
- **Drilling has been highly successful with only two UG2 intersections being faulted and three intersecting potholes, while in the case of the Merensky Reef (MR) only two drillholes were faulted.**
- **The UG2 3D geological model was updated, which indicates that the eastern area of the Project, including the Payback drilling area, is less structurally complex than originally thought.**
- **Preparation for the Mining Right Application continued with key advancements on the mining works programme, environmental scoping study and social & labour plan. The Mining Right Application which remains on track for Q3 CY2023, five months ahead of the original schedule.**
- **Commencement of metallurgical test works and geotechnical study-works in connection with mine design and planning for the PFS**

### Corporate:

- **Resignation of Mr Terence Goodlace as Director and Chairman due to recommendation of a proxy advisory services company, in respect of another company of which Mr Goodlace is a director.**
- **Existing independent non-executive Director, Mr Michael Stirzaker, appointed as Interim Chairman**
- **As at 30 June 2023, Southern Palladium held approximately $11.55 million (31 March 2023: $12.93 million) in cash.**

**Southern Palladium** (ASX: SPD, "Southern Palladium" or the "Company") is pleased to announce its quarterly activities summary for the three months ended June 30, 2023.

The Company's primary focus is advancing its exploration program to PFS and then to development of the Bengwenyama PGM (platinum group metals) project, in which it holds a direct 70% stake.

Following its successful ASX listing on 8th June 2022, Southern Palladium remains well-funded to continue its multi-phase exploration program at Bengwenyama. During the June quarter, the Company completed its Phase 1a drill program and has now increased its resource from a 3PGE+Au Inferred Resource of 18.80Moz to a 6PGE+Au Indicated and Inferred Resource of 25.12Moz.

Southern Palladium is led by an experienced on-ground management team and is currently executing several core operational objectives, with the planned completion of a Pre-Feasibility Study in Q1 2024.

The Bengwenyama project presents a significant shallow advance exploration/pre-development opportunity for Platinum Group Metals. It is located on the Eastern Limb of the Bushveld Complex in South Africa.

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## Overview of June Quarter Activities

### *Phase 1 drill programme*

The Phase 1 drilling program was divided into two stages - Phase 1a and Phase 1b - with a 350m drilling grid. Phase 1a involved wider drill spacing to cover a larger area, providing a better understanding of the structures and grade distribution in the shallow eastern portion of Eerstegeluk. The completion of the Phase 1a drill program during the quarter (*refer ASX Announcement 30 May 2023*) resulted in assay results confirming the maiden Indicated Mineral Resource upgrade.

By the end of the June quarter, approximately 14,000m of drilling has been completed from 47 drillholes and 13 deflections. The drilling success rate has been impressive, with only two UG2 intersections being faulted and three intersecting potholes. In the case of the MR (Merensky Reef), only two drillholes were faulted. The next phase, Phase 1b, which includes the remaining 63 planned drillholes, has already started. It will focus on closer spaced infill drilling of Phase 1a, aiming to convert additional Inferred Mineral Resource to Indicated Mineral Resource.

While the recent focus was on the UG2 Payback Area, some of the drill rigs will now be moved to areas surrounding the Payback Area and the Horst blocks to the west.

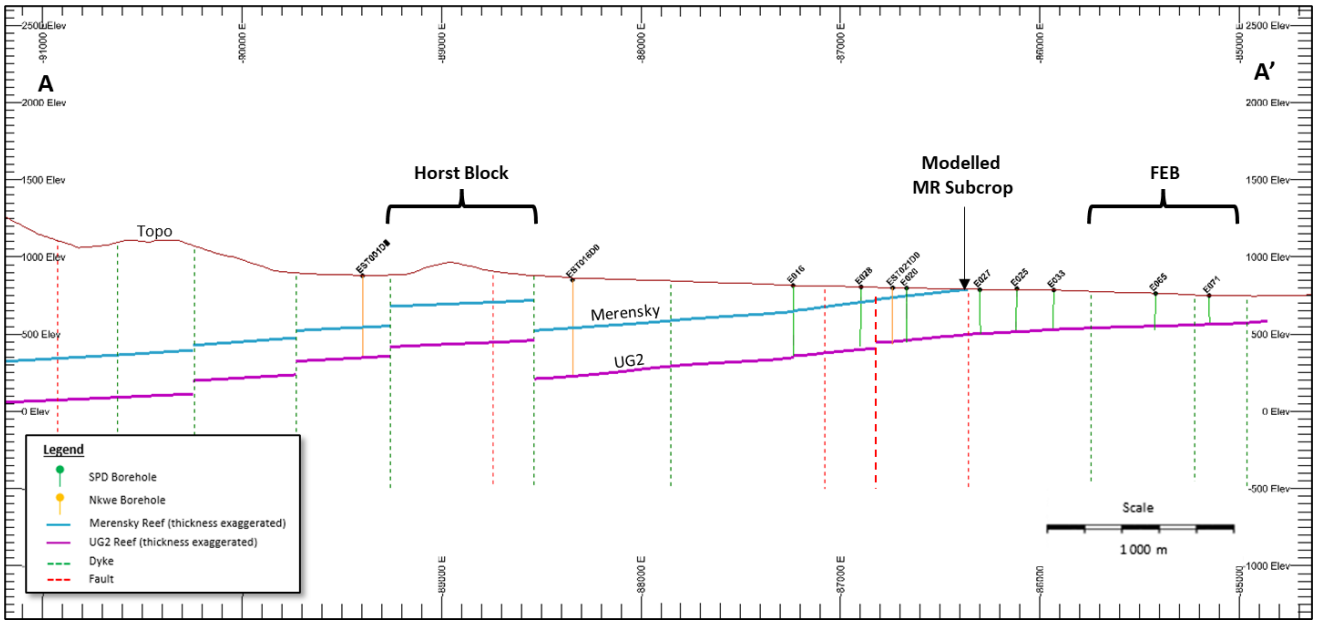
**Updated 3D Structural Model**

During the June quarter, the Bengwenyama structural model underwent an update by incorporating both the combined historical drillhole data and the new SPD drillhole data. The most significant alteration in the geological model was the revision of the average dip of the UG2 Reef. It was adjusted downward to approximately 6 degrees, a notable change from the previous measurement of 12 degrees.

Figure 1 is a NW – SE section line through Eerstegeluk, the location of which is shown as "A--A" in Figure 2 . The section illustrates the Merensky Reef (blue line) and UG2 (purple line) reefs horizon and structural model, showing the inclusion of the newly discovered Far East Block (FEB). Also highlighted is the Horst Block, which will be the target of drilling in forthcoming months.

The recent drilling has also shown that the throws on the major north/south faults and dykes in the north-eastern portion of Eerstegeluk are not as large as initially modelled. There has been a large gain in UG2 Reef towards the eastern boundary of Eerstegeluk which, in previous press releases, has been termed the Far East Block (FEB) (*refer ASX Announcement 3 February 2023*). In the previous structural model, it was assumed that the UG2 was not present in the FEB. This area has been a significant contributor (approximately 1.3Moz) to the current resource upgrade.

*Figure 1: NW-SE Cross Section of the Merensky Reef and UG2 Reef Horizon*




**Drilling in Payback Area**

Drilling is still focused on the UG2 Payback Area (refer ASX Announcement 30 May 2023) and is progressing well with all five drill rigs currently drilling within the Payback Area (Figure 2). The Payback Area refers to an area within a mining project that is large enough, such that when mined, it will generate sufficient returns to recoup the funds expended in the investment, or to reach the break-even point. In other words, it is the part of the project where the revenue from mining operations offsets the initial investment and operational costs, resulting in a return of the capital invested. Once the payback period is achieved, any subsequent revenue generated becomes profit for the project.

The current focus of the project is to drill enough boreholes to convert the UG2 Payback Area into Indicated Mineral Resource status. Once this goal is achieved, the drill rigs will be relocated to areas surrounding the Payback Area and the Horst blocks to the west.

The Southern Horst Block has limited geological structure information available, primarily from historical collars. To enhance the understanding of the geological structure in this area, drilling operations are planned to begin in August. A sixth drill rig is scheduled to be on-site in late-July or early-August, which will facilitate the exploration and data collection efforts in the Southern Horst Block. This strategic approach aims to further expand the knowledge of the geological features in the region and support the overall exploration program's progress.

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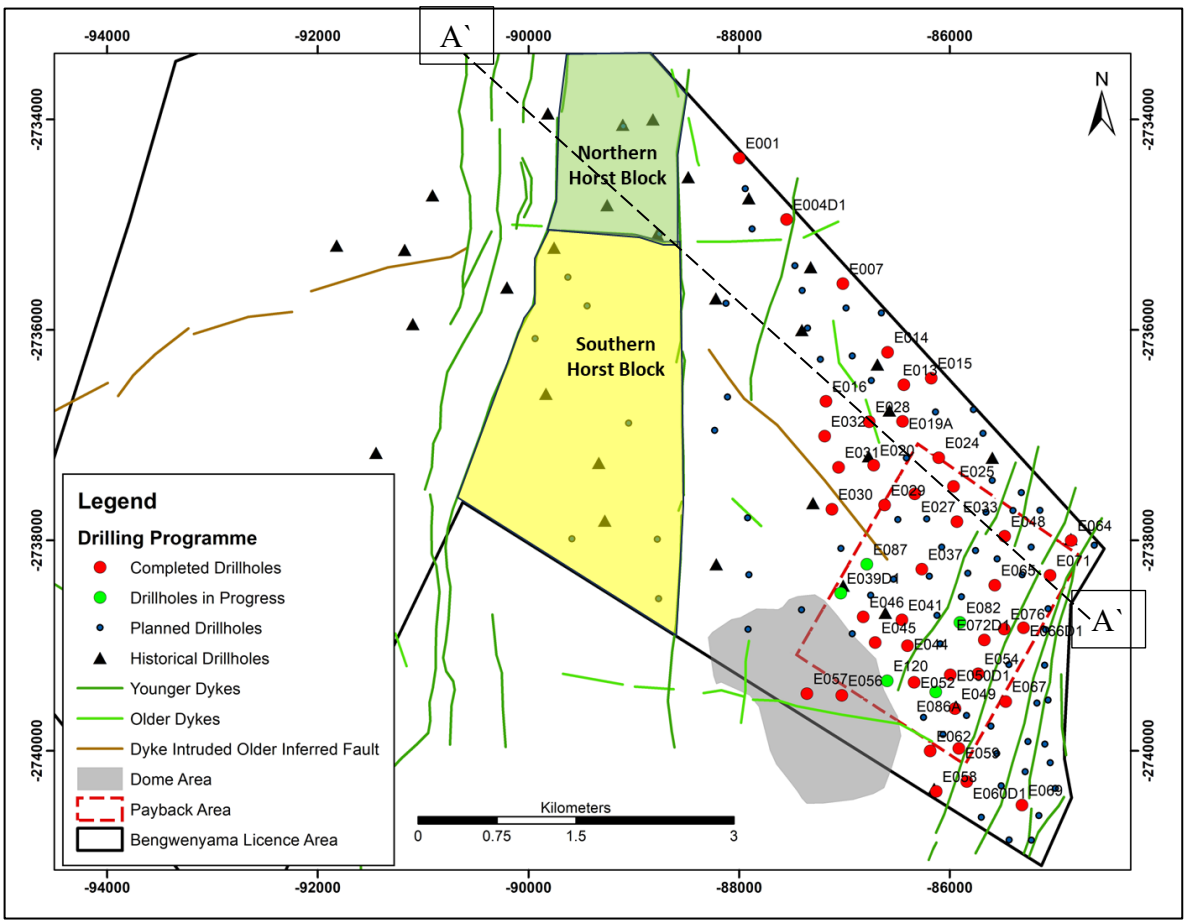
*Figure 2: Drilling Programme Status*




## *Interim Merensky and UG2 Resource Update*

The Phase 1a drilling programme was mainly focused on the shallow UG2 reef which resulted in a significantly higher total Mineral Resource (*refer ASX Announcement 30 May 2023*).

The drilling programme also intersected the Merensky Reef (MR) towards the west (See position of MR outcrop) approximately 260m above the UG2 reef. These drillholes intersected the MR from the sub crop position, from a depth of approximately 20m to a maximum depth of around 260m.

Table 1 is the total combined Mineral Resource for the UG2 and MR as at 10 July 2023. The combined Indicated Mineral Resource for the project, on a 6PGE+Au basis, is now 5.11 Moz, with a combined Inferred Mineral Resource of 20.01 Moz. The total Mineral Resource (Indicated and Inferred) is now 25.12 Moz. These Mineral Resources include 14.61Moz indicated and inferred for the UG2 reef.

All elements (Pt, Pd, Rh, Au, Ir, Os, Ru, Cu, Ni, Cr and Fe) were estimated individually as well as a combined 4E (Pt, Pd, Rh & Au) and; 7E (Pt, Pd, Rh, Ir, Os, Ru & Au).

*Table 1: Combined UG2 and MR Mineral Resource as at 10 July 2023*

| Reef | Resource Category | Tonnes Mt | Thickness (m) | Pt (g/t) | Pd (g/t) | Rh (g/t) | Au (g/t) | Ir (g/t) | Os (g/t) | Ru (g/t) | 4E (g/t) | 7E (g/t) | Cu (%) | Ni (%) | Moz (4E) | Moz (7E) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Merensky | Indicated | 21.59 | 2.05 | 1.59 | 0.65 | 0.10 | 0.12 | 0.03 | 0.03 | 0.21 | 2.48 | 2.75 | 0.038 | 0.125 | 1.72 | 1.91 |
| Merensky | Inferred | 77.90 | 1.97 | 2.01 | 0.81 | 0.13 | 0.15 | 0.04 | 0.04 | 0.25 | 3.10 | 3.43 | 0.035 | 0.119 | 7.77 | 8.60 |
| **Total** | | **99.49** | **1.99** | **1.92** | **0.78** | **0.12** | **0.14** | **0.04** | **0.04** | **0.24** | **2.97** | **3.28** | **0.035** | **0.120** | **9.49** | **10.50** |
| UG2 | Indicated | 10.76 | 0.71 | 3.48 | 3.34 | 0.75 | 0.12 | 0.25 | 0.16 | 1.19 | 7.65 | 9.24 | 0.031 | 0.160 | 2.64 | 3.20 |
| UG2 | Inferred | 39.09 | 0.69 | 3.47 | 3.16 | 0.74 | 0.1 | 0.25 | 0.16 | 1.21 | 7.48 | 9.08 | 0.032 | 0.156 | 9.40 | 11.42 |
| **Total** | | **49.85** | **0.69** | **3.47** | **3.20** | **0.74** | **0.10** | **0.25** | **0.16** | **1.20** | **7.51** | **9.12** | **0.032** | **0.157** | **12.04** | **14.61** |
| **Total** | | **149.34** | **1.56** | **2.44** | **1.59** | **0.33** | **0.13** | **0.11** | **0.08** | **0.56** | **4.48** | **5.23** | **0.034** | **0.133** | **21.53** | **25.12** |

**Note:** All elements have been estimated individually and their combined grade will vary slightly from the estimated composite 4E and 7E modelled grades.



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The overall increase in the UG2 Mineral Resource is largely a result of the addition of the Far East Block (*refer ASX Announcement 30 May 2023*) and the conversion of the exploration target to Inferred Resources.

**LG6A and LG6 Chromitite Reefs**

Two drillholes, E056 and E057 (Figure 2), were drilled in the "dome" area to investigate the lower group (LG) chromitite seams which are exploited for their $Cr_2O_3$. The main LG chromitite seam that is mined economically for its $Cr_2O_3$ is the LG6, which is comprised of the LG6A and LG6. Note these seams do not carry any economical PGEs but may be economic with respect to their $Cr_2O_3$.

In drillhole E057, the LG6A was intersected at 240m below surface, approximately 210m below the UG2, while in drillhole E056 it was intersected approximately 325m below surface.

The available information suggests that the LG6A is approximately 30cm thick with a 20 cm pyroxenite middling between the LG6A and the LG6. The LG6 seems to be split with an upper seam of 30cm with a thin pyroxenite parting with the bottom LG6 seam being approximately 120cm thick. These have been sampled and submitted to the laboratory for analysis.

The aim of these two drillholes was to test for the presence and depth of the LG6's in the dome structural block and the potential access for mining the LG6's from the UG2 underground mining infrastructure. The intersections have shown that the LG6's could be accessible from the UG2 underground mining development due to the up thrown structural blocks. This will require further drilling and investigations. Once the results have been received from the laboratory, further work will be done on the viability of the LG6A and LG6 as an additional source of $Cr_2O_3$ at the Bengwenyama Project which will be included in the Mining Right Application.

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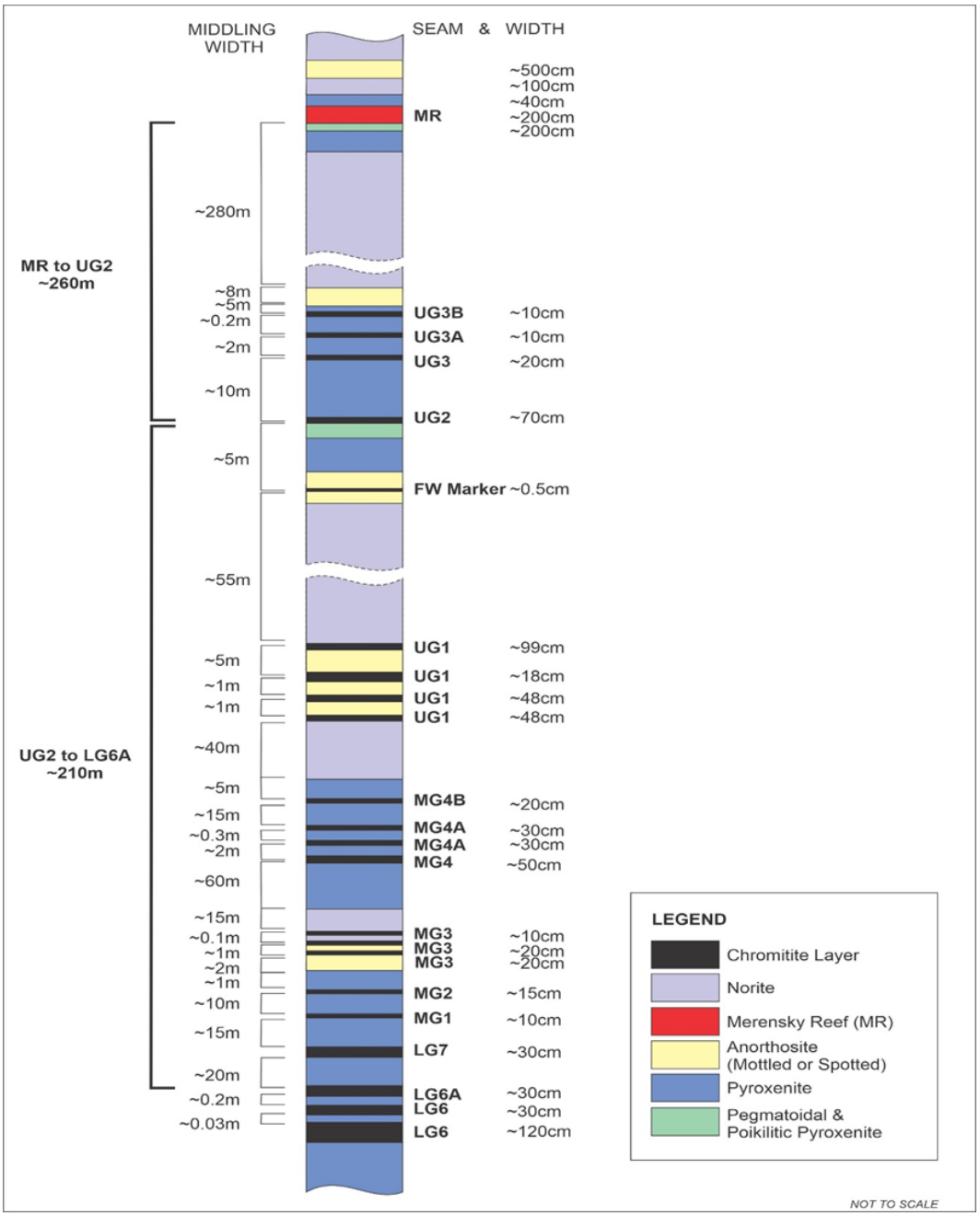
*Figure 3: Project Stratigraphic Column Showing the LG6A and LG6*

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## *Project Studies*

During the quarter, the Company made significant progress on various aspects of the project. Advancements were made on a works program, an environmental scoping study, and a social & labour plan, all of which are being prepared as part of the proposed Mining Right Applications. The Company is on track to lodge these applications in the September quarter, approximately five months ahead of the initial schedule.

Additionally, progress was achieved in the metallurgical test work for the UG2 reef, which is still ongoing. A composite of five core samples from four drillholes has been submitted to SGS in Randfontein, South Africa. The test work includes flotation efficiency tests (MF2 testing) and bond ball mill work index determinations. The results from this test work will be incorporated into the proposed Pre-Feasibility Study (PFS). The initiation of the PFS came following a recommendation from mining consultancy Minxcon in the March quarter.

Furthermore, the geotechnical study-work has been initiated and is crucial for the detailed mine-designs and planning of the PFS. Open House Management Solutions (Pty) Ltd has been appointed to conduct the geotechnical study for the PFS. During the June quarter, geotechnical logging and rock mass classification were carried out to establish high-level design criteria and stress modelling. Core samples have been sent to Rocklab Rock Mechanics in Pretoria, South Africa, where Uniaxial

Compressive Strength (UCS), Triaxial Compressive Strength (TCS), Base Friction Angle, and Brazilian Tensile Strength tests will be conducted. These findings will contribute to the overall understanding of the project's geotechnical aspects and play a crucial role in the PFS development.

### *Environmental, Social and Governance*

In late June 2023 and early July 2023, sectional community meetings were held with our key communities, during which the team provided an update on the Bengwenyama project. These meetings served as an opportunity to engage with the community and keep them informed about the project's progress and developments.

To further communicate the Company's activities to community members, a Facebook page (https://www.facebook.com/SouthernPalladium) was launched. This platform will serve as a means to share updates, news, and relevant information with the community in a more accessible and real-time manner.

Additionally, a newsletter is currently being prepared and is scheduled for launch in August. The newsletter will be another valuable communication channel to update the community on various aspects of the Bengwenyama project, ensuring that they are well-informed and engaged in the ongoing developments and initiatives.

## September Quarter Planned Activities

- Drilling and exploration activities at the Bengwenyama Project will continue throughout the September quarter. The focus of the drilling has been narrowed down to infill drilling (Phase 1b) over the shallow eastern portion of the UG2 block, identified as the 'Payback Area.' The Payback Area is assessed as the approximate resource quantum for the UG2 Reef, capable of achieving capital payback for the project.

- As of post quarter-end, all five drill rigs are currently engaged in drilling operations in the Payback Area. The primary goal of the Phase 1b drill program is to convert more of this area to Indicated Mineral Resource status.

- Once the drilling activities in the Payback Area are completed, the drill rigs will be relocated to areas surrounding the Payback Area and the Horst blocks to the west. The Southern Horst Block has limited geological structure information, primarily from historical collars. Therefore, drilling in this region is crucial to improve the understanding of the geological structure. Drilling of the Southern Horst Block is anticipated to commence in August.

- To further support the exploration efforts, a sixth drill rig has been commissioned and is expected to arrive on-site in early August.

- Ongoing metallurgical and geotechnical works are being conducted. The results from these works, combined with the Phase 1b resource-definition results for the Payback Area, will be incorporated into the Pre-Feasibility Study, which is currently scheduled for completion in Q1 2024.

- Additionally, the Company is in the process of completing a mining work programme, environmental scoping study, and social and labour plan. These components are integral to Southern Palladium's Mining Right Application, which remains on schedule to be submitted in the September quarter. The successful submission of the Mining Right Application is an essential step in the project's progression.

## Corporate

### *Board Changes*

During the June quarter, Southern Palladium announced the resignation of Mr Terence Goodlace as Director and Chairman of the Board (*refer ASX Announcement 5 May 2023*). Mr Goodlace's decision to resign was based on the recommendation of a proxy advisory services company in respect of another company of which Mr Goodlace is a director. The Board resolved to appointed existing independent non-executive Director Mr Michael Stirzaker as Interim Chairman.

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### *Expenditure Summary*

A summary of the exploration and project evaluation expenditures for the quarter is provided as follows:

For the purpose of ASX Listing Rule 5.3.1, payments for exploration, evaluation and development during the quarter totalled $974,037 (31 Mar 2023: $1,075,751). The Phase 1a and Phase 1b drilling programme, and facilities set up and details of activities undertaken during the quarter are as described in this report.

For the purpose of ASX Listing Rule 5.3.2, the Company confirms there were no mining production and development activities undertaken during the quarter.

For the purpose of ASX Listing Rule 5.3.5, payments to directors of Southern Palladium Limited during the quarter totalled $129,000. The payments were in respect of directors' salaries, fees and superannuation.

Payment to Miracle Upon Miracle Investments (Pty) Limited, a related party of Southern Palladium Limited during the quarter totalled approximately $1,284,000. The payments were in respect of expenses incurred for the Bengwenyama Project and corporate expenses.

Pursuant to ASX Listing Rule 5.3.4, the Company provides its actual expenditure on the individual items in the two year "use of funds" statement in its IPO Prospectus since the date of its admission to ASX's Official List (being 8 June 2022) against the estimated expenditure on those items and an explanation of any differences.

| Use of Funds | Prospectus: Estimated Expenditure | Actual use from 8 June 2022 to quarter end | Variance |
|---|---|---|---|
| Phase 1 drilling | $7,716,000 | $3,469,005 | $4,246,995 |
| Phase 2 drilling | $3,805,000 | $0 | $3,805,000 |
| Other technical work on the Project | $1,677,000 | $381,523 | $1,295,477 |
| Corporate and other related costs | $3,918,000 | $1,792,637 | $2,125,363 |
| Costs of the Offer | $1,737,000 | $1,406,949 | $330,051 |
| **Total** | **$18,853,000** | **$7,050,114** | **$11,802,886** |

The variances are a result of the Company being admitted to the Official List on 8 June 2022, therefore actual expenditure up to 30 June 2023 is represented against the two year "use of funds" statement. The Company believes it is on schedule to achieve its objectives as stated in its IPO Prospectus.

### *Cash*

As at 30 June 2023, Southern Palladium held approximately $11.55 million (30 June 2023: $12.93 million) in cash.

## June 2023 Quarter – ASX Announcements

This Quarterly Activities Report contains information extracted from ASX market announcements reported in accordance with the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" ("2012 JORC Code"). Further details can be found in the following announcements lodged on the ASX:

| | |
|---|---|
| 5-May-2023 | Mr Terence Goodlace resigns as Chairman, Mr Mike Stirzaker appointed |
| 5-May-2023 | Final Director's Interest Notice – Mr Terence Goodlace |
| 30-May-2023 | UG2 Mineral Resource increases by 39% to 11.65Moz (4E) |
| 6-June-2023 | Southern Palladium Investor Webinar |
| 7-Jun-2023 | SPD Junior Indaba Presentation |

### *ASX Announcement Post Quarter*

| | |
|---|---|
| 10-Jul-2023 | Bengwenyama drilling and PFS progress update: Combined PGE Mineral Resource now totals 25.1Moz (7E basis) |

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## Tenements

The Company held the following tenement during the quarter. The Project comprises the full extent of the farms Nooitverwacht 324 KT and Eerstegeluk 327 KT, both of which are in the Limpopo Province of South Africa. The Project is located 250 km east-northeast of Pretoria. The Exploration tenement is 100% held through Miracle Upon Miracle (Pty) Ltd the 70% subsidiary of SPD.

The Company did not enter into any farm-in or farm-out agreements during the quarter.

The following information is provided pursuant to Listing Rule 5.3.3 for the quarter:

| Farm name | Extent (ha) | Prospecting Right number | Prospecting Right expiry date | Interest at beginning of quarter | Interest at end of quarter |
|---|---|---|---|---|---|
| Nooitverwacht 324 KT | 2,971.01 | LP30/5/1/1002PPR | 12-Feb-24 | 70% | 70% |
| Eerstegeluk 327 KT | 2,308.73 | | | | |
| **Total** | **5,279.74** | | | | |

No tenement has been disposed during the quarter.

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## JORC Competent Persons Statement

**Uwe Engelmann**
The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Uwe Engelmann (BSc (Zoo. & Bot.), BSc Hons (Geol.), Pr.Sci.Nat. No. 400058/08, FGSSA). Mr Engelmann is a director of Minxcon (Pty) Ltd and a member of the South African Council for Natural Scientific Professions. Minxcon provides geological consulting services to Southern Palladium Limited. Mr. Engelmann 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'. Mr. Engelmann consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. Mr Engelmann has a beneficial interest in Southern Palladium through a shareholding in Nicolas Daniel Resources Proprietary Limited.

**Daan van Heerden**
The scientific and technical information contained in this announcement has been reviewed, prepared, and approved by Mr Daan van Heerden (B Eng (Min.), MCom (Bus.Admin.), MMC, Pr.Eng. No. 20050318, AMMSA, FSAIMM). Mr van Heerden is a director of Minxcon (Pty) Ltd and a Registered Professional Engineer with the Engineering Council of South Africa, a Member of the Association of Mine Managers South African Council, as well as a Fellow Member of the South African Institute of Mining and Metallurgy. Mr. van Heerden has sufficient experience relevant to the styles of mineralisation and activities being undertaken to qualify as a Competent Person, as such term is defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr van Heerden has a beneficial interest in Southern Palladium through a shareholding in Nicolas Daniel Resources Proprietary Limited.

**For further information, please contact:**

Johan Odendaal
Managing Director
Southern Palladium
Phone: +27 82 557 6088
Email: johan.odendaal@southernpalladium.com

**Media & investor relations inquiries**: Sam Jacobs, Six Degrees Investor Relations: +61 423 755 909

# Appendix 5B
## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity
**Southern Palladium Limited**

ABN
**59 646 391 899**

Quarter ended ("current quarter")
**30-Jun-23**

| | **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 | | |
| | (b) development | - | - |
| | (c) production | | |
| | (d) staff costs | (84) | (363) |
| | (e) administration and corporate costs | (89) | (820) |
| 1.3 | Dividends received (see note 3) | | |
| 1.4 | Interest received | 75 | 122 |
| 1.5 | Interest and other costs of finance paid | | |
| 1.6 | Income taxes paid | | |
| 1.7 | Government grants and tax incentives | | |
| 1.8 | Other - Miracle Upon Miracle Pty Ltd: operating expenditure | (163) | (828) |
| | Other - Miracle Upon Miracle Pty Ltd: VAT refund | 308 | 308 |
| **1.9** | **Net cash from / (used in) operating activities** | **47** | **(1,581)** |

| | | | |
|---|---|---|---|
| **2** | **Cash flows from investing activities** | | |
| 2.1 | Payments to acquire or for: | | |
| | (a) entities | - | - |
| | (b) tenements | | |
| | (c) property, plant and equipment | - | (1) |
| | (d) exploration & evaluation | (974) | (3,905) |
| | (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 MUM | (455) | (643) |
| 2.4 | Dividends received (see note 3) | | |

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| | | | |
|---|---|---|---|
| 2.5 | Other - repaid MUM's shareholders loan | - | (187) |
| **2.6** | **Net cash from / (used in) investing activities** | **(1,429)** | **(4,736)** |

| | **Consolidated statement of cash flows** | **Current quarter $A'000** | **Year to date (12 months) $A'000** |
|---|---|---|---|
| **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 | | |
| **3.1** | **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 | 12,930 | 17,865 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | 47 | (1,581) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | (1,429) | (4,736) |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | - | - |
| 4.5 | Effect of movement in exchange rates on cash held | | |
| **4.6** | **Cash and cash equivalents at end of period** | **11,548** | **11,548** |

| **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 | 348 | 530 |
| 5.2 | Call deposits | 11,200 | 12400 |
| 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)** | **11,548** | **12,930** |

| **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 | (16) |
| 6.2 | Aggregate amount of payments to related parties and their associates included in item 2 | 1,429 |

*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.*

A total approximately of $1,414,000 was paid to related parties of the entities and their associates as follow:

- $129,000 are in respect of Directors' fees, salaries and superannuation accruing to Directors' for services rendered during the period.

- $1,429,000 was advanced to MUM for Phase 1 drilling programme and other technical work on the Project.



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- $163,000 was advanced to MUM for Corporate and other related costs.

- VAT refund of $308,000.

| 7 | **Financing facilities**<br>*Note: the term "facility' includes all forms of financing arrangements available to the entity.*<br>*Add notes as necessary for an understanding of the sources of finance available to the entity.* | **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) | 47 |
| 8.2 | (Payments for exploration & evaluation classified as investing activities) (item 2.1(d)) | (974) |
| 8.3 | Total relevant outgoings (item 8.1 + item 8.2) | (927) |
| 8.4 | Cash and cash equivalents at quarter end (item 4.6) | 11,548 |
| 8.5 | Unused finance facilities available at quarter end (item 7.5) | - |
| 8.6 | Total available funding (item 8.4 + item 8.5) | 11,548 |
| 8.7 | **Estimated quarters of funding available (item 8.6 divided by item 8.3)**<br>*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.* | 12 |

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

*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.*

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## 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: 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.

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