Locksley Resources

INVESTOR UPDATE

ASX RELEASE
25 January 2024

LOCKSLEY RESOURCES LIMITED
ACN 629 672 144

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ASX: LKY

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DECEMBER 2023 QUARTERLY REPORT

Highlights for the December Quarter 2023

- **The Follow-up work campaign was completed in November for previously identified high-grade REE's on the North Block of the Mojave Project**
- **Stream sediment sampling on the North Block Claim was designed to locate the source of the elevated REE anomalies**
- **Appointment of Mr Nathan Lude in the role of Non-Executive Chairman effective from the 9 October 2023**

The Board of Locksley Resources Limited (ASX:LKY) ("Locksley" or the "Company") is pleased to provide the following Quarterly Activities Report to 31 December 2023.

MOJAVE PROJECT

The Mojave Project consists of three areas: The North Block comprising of 164 claims totalling 14.9 km², South Block comprising of 32 claims totalling 3.5 km², and the El Campo Prospect comprising of five (5) claims. The Mojave Project totals 201 mineral claims making up the North Block, South Block, and the El Campo Prospect area **(see Figure 1)**, located in the Mojave Desert, California, USA.

Highlights for the Mojave Project in the December Quarter 2023.

North Block

- The Company was pleased to announce in November that a follow-up work campaign had commenced for high-grade REE's on the North Block of the Mojave Project
- The stream sediment sampling program at the North Block returned highly anomalous total rare-earth oxide (TREO) results
- Six (6) catchment areas were identified as prospective for ongoing REE exploration with assays ranging from 0.103% to 0.26% TREO
- The North Block of the Mojave Project abuts the Mountain Pass Mine land area, the largest REE mine in the US and largest producer of high-grade rare-earth materials in the western hemisphere, delivering approximately 15% of global rare earth supply

On Wednesday the 29 November 2023, the Company announced the completion of a follow-up stream sediment sampling campaign targeting high-grade REE's on the North Block of the Mojave Project **(Figure 1)**. The sampling of the anomalous catchment areas has potential to identify additional high-grade rare earths within the broader Mojave Project area.

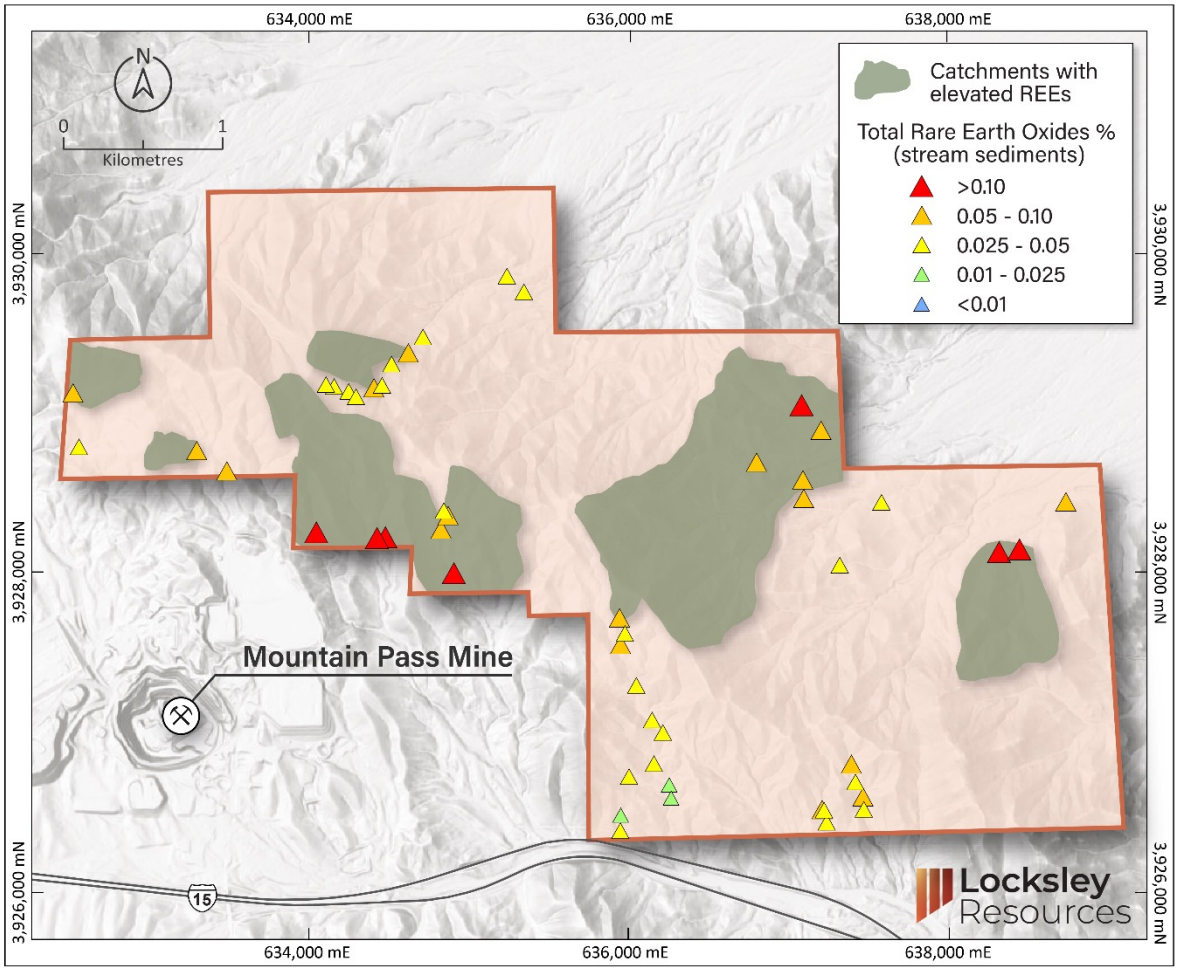

Figure 1. MOJAVE NORTH BLOCK – Catchments displaying highly anomalous REE mineralisation in stream sediment samples (LKY Announcement 29 November and 28 September 2023)

The previously reported results represent a new area of REE potential amongst Mojave's North Block, a large area of 164 claims totalling 14.9 km² and highlights the potential for additional High-grade REE mineralisation in California, USA.

Locksley collected fifty-one (51) stream sediment samples within the Company's North Block Claim, located in San Bernardino Country, California. The first pass stream sediment sampling program was designed to collect samples from dry stream beds over a broadly spaced area within the North Block as an early exploration tool to cover large areas of the claims with the aim of identifying smaller areas of interest that require additional ground reconnaissance.

Six (6) catchment areas were also identified as potential source areas for REE mineralisation in the North Block of the Mojave Project (Figure 1). Seven (7) stream sediment samples were identified highly anomalous REE potential, resulting in erosion from nearby surrounding outcrops. The sampling points with anomalous elevated REE geochemistry, indicate the possibility of a REE deposit upstream from where the samples were collected.

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The current program is designed to follow-up the anomalous stream sediments results from the North Block to narrow down the potential outcropping source of the highly anomalous results. In addition to further stream samples, reconnaissance rock chip sampling will take place in 2024 upstream from the already identified catchments shedding REE's.

CORPORATE

Financial

Following the exploration activities, Locksley had a cash position of approximately $3.02 million at the end of the December quarter. Related party payments for the quarter are as outlined in the Appendix 5B at section 6.1, a total of $97,142 which includes the directors' fees and statutory superannuation paid to directors.

The Board of Directors of Locksley Resources Limited authorised the release of this announcement.

Further information contact:

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LIST OF TENEMENTS

Country	State	Project Name	Tenement/ Claim Name	EL Number	Grant Date	Expiry Date	Group	Units/ Claims	Ownership
Australia	NSW	Tottenham Project	Tottenham	EL6592	29/06/2006	29/06/2026	GROUP 1	50	100%
	NSW	Tottenham Project	Tottenham North	EL6656	27/10/2006	27/10/2026	GROUP 1	10	100%
	NSW	Tottenham Project	Collerina	EL8384	28/07/2015	28/07/2026	GROUP 1	12	100%
	NSW	Tottenham Project	Bulbodney Creek	EL9307	16/10/2021	16/10/2027	GROUP 1	90	100%
	NSW	Watsons Creek Project	Watson Creek	EL9400	10/05/2022	10/05/2028	GROUP 1	56	100%
USA	CA	Mojave Project	North Block-South Block El Campo Lease					201	100%

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Compliance Statements

Forward-Looking Statements

This document may include forward-looking statements. Forward-looking statements are only predictions and are subject to risks, uncertainties and assumptions which are outside the control of the Company. Actual values, results or events may be materially different to those expressed or implied in this document. Given these uncertainties, recipients are cautioned not to place reliance on forward looking statements. No representation is made that, in relation to the tenements the subject of this presentation, the Company has now or will at any time the future develop resources or reserves within the meaning of the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves.

Cautionary Statement

Visual estimates described in the announcement are a guide only and should never be considered a proxy or substitute for laboratory analysis. Only subsequent laboratory geochemical assay can be used to determine grade of mineralisation. LKY will always update shareholders when laboratory results become available.

Competent Persons

The information in this document that relates to exploration targets, exploration results, mineral resources or ore reserves is based on information compiled by David Ward BSc, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy (AUSIMM), (Member 228604). David Ward is a shareholder of Locksley Resources Ltd. David Ward has over 25 years of experience in metallic minerals mining, exploration and development and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaking to qualify as a 'Competent Person' as defined under the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Ward consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

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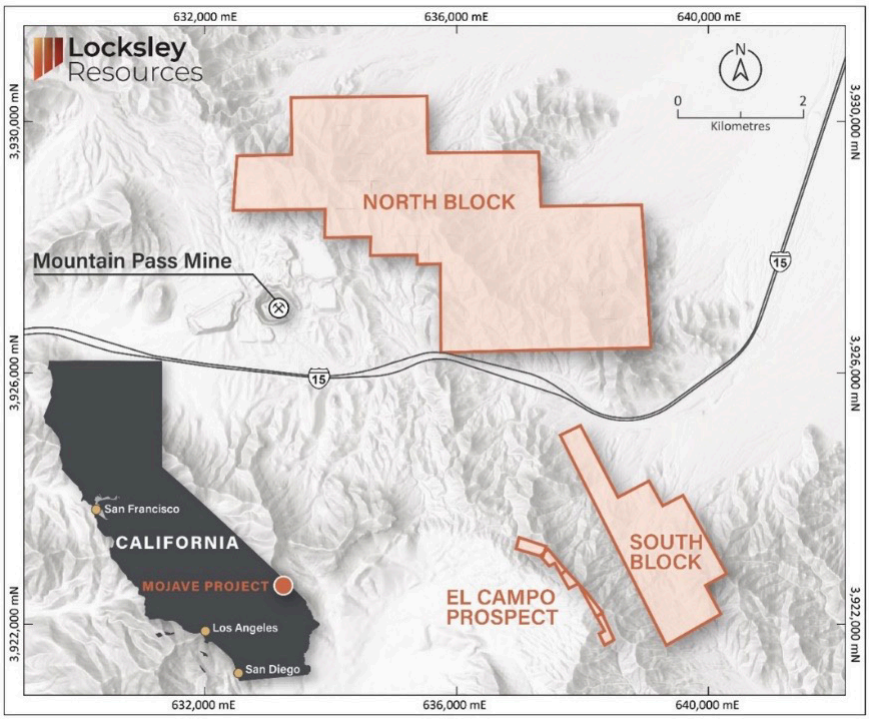
About Locksley Resources Limited

Locksley Resources Limited (ASX:LKY) is an ASX-listed minerals explorer with a focus on copper, gold and base metal assets throughout Australia. LKY is also active in exploring for Rare-Earth Element (REE) projects located in the United States of America (USA), positioning LKY as a player in the fast-growing REE exploration market. LKY aims to build shareholder wealth through the discovery and development of mineral deposits across various Australian and USA projects; being the Tottenham Project and Mojave Project.

Mojave Project

The Mojave Project is in the Mojave Desert, California, USA. Consisting of three areas: The North Block is comprised of 164 claims totalling 14.9 km², South Block comprising of 32 claims totalling 3.5 km², and El Campo Prospect comprising of 5 claims totalling 0.34 km².

The Mojave Project is positioned next to one of the highest-grade REE mines in the world and multiple significant carbonatite REE veins have been identified. The Mojave Project has returned high grade TREO rock-chip results of up to 9.49%.



MOJAVE PROJECT – Location of the Mojave Project Blocks in south-eastern California, USA

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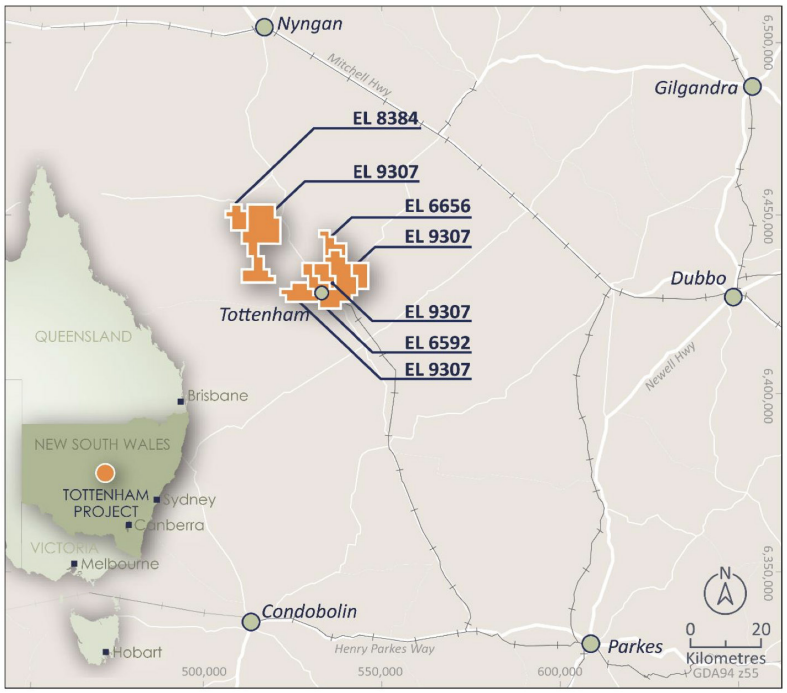
Tottenham Project

The Tottenham Project is an advanced Cu-Au exploration project that consists of four Exploration Licences, (EL6592, EL6656, EL8384, EL9307), covering 470km², located in the Lachlan Fold Belt of central New South Wales.



TOTTENHAM PROJECT – Location of the Tottenham Project in central NSW, Australia

The Tottenham deposits are hosted within the Ordovician Girilambone Group that also host the Tritton and Girilambone Mines and Constellation Deposit, 110km to the north-northwest (Aeris Resources Ltd.), and is immediately along strike from the CZ Copper Deposit (Helix Resources Ltd). Resources have been defined at both the Mount Royal to Orange Plains and Carolina Deposits for a global inferred resource of:

9.86Mt @ 0.72% Cu, 0.22g/t Au, 2g/t Ag at a 0.3% Cu cut off

The Competent Person for the Tottenham Project 2022 Resource is Mr Jeremy Peters FAusIMM CP(Geo, Min), a Director of Burnt Shirt Pty Ltd. The Mineral Resource estimate is stated in accordance with the provisions of the JORC Code (2012). Mr Peters has more than five years' experience in the estimation and reporting of Mineral Resources for base metals mineralisation in Australia and overseas, 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 Peters consents to the inclusion in the presentation of the matters based on his information in the form and context in which it appears.

Appendix 5B

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

Name of entity

LOCKSLEY RESOURCES LIMITED

ABN	Quarter ended ("current quarter")
48 629 672 144	**31 December 2023**

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (6 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation (if expensed)	(239)	(708)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(60)	(116)
	(e) administration and corporate costs	(201)	(545)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (Rent Received & Subcontracting Income)	3	5
1.9	**Net cash from / (used in) operating activities**	**(497)**	**(1,364)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) entities	-	(500)
	(b) tenements	-	-
	(c) property, plant and equipment	(28)	(30)
	(d) exploration & evaluation (if capitalised)	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 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
2.6	**Net cash from / (used in) investing activities**	**(28)**	**(528)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	2,950
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	15	(285)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings (lease liabilities)	(13)	(25)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other	-	-
3.10	**Net cash from / (used in) financing activities**	**2**	**2,640**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	3,544	2,273
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(497)	(1,364)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(28)	(528)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2	2,640

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (6 months) $A'000**
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**3,021**	**3,021**

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	3,021	3,544
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)**	**3,021**	**3,544**

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	97
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

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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.*	**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)	(497)
8.2	Capitalised exploration & evaluation (Item 2.1(d))	-
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(497)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	3,021
8.5	Unused finance facilities available at quarter end (Item 7.5)	-
8.6	Total available funding (Item 8.4 + Item 8.5)	3,021
8.7	**Estimated quarters of funding available (Item 8.6 divided by Item 8.3)**	6.0

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.

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: N/A

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

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

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: 25 January 2024

Authorised by: By the Board of Locksley Resources Limited
(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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