

28 October 2021

Quarterly Activities Report for the 3 Months Ended 30 September 2021

Highlights

- Drilling is underway at the Snowstorm Project, Victoria, with a minimum of 1,500m extending on the previous drilling results that produced intersections of 3.1m @ 11.6 g/t Au² and 2.9m @ 3.41 g/t Au³
- First Au commenced a geological review of its copper gold porphyry prospect in Victoria. Previously reported intersections include 13.2m @ 1.33% Cu, 30m @ 0.5% Cu and 2m @ 8 g/t Au⁴
- Drilling permit for Ernestine Prospect at Haunted Stream has been granted with First Au now planning a drill program to commence in Q2 2022
- Three tenements that were under application have been granted within the highly prospective Mabel Creek area of the northern Gawler Craton, South Australia. The granted tenements cover 1,050km² and is in a region hosting tenements from major mining houses, including BHP, Rio Tinto, FMG and Oz Minerals
- First Au raised \$1.84m via a Placement to sophisticated and professional investors at \$0.012 per share with the Company seeking to raise a further \$450,000 via a Share Purchase Plan to existing eligible shareholders

Review of Operations

Victoria Gold & Base Metals Projects

Snowstorm

On 16th September 2021, First Au Limited ("the Company", "FAU" or "First Au") released an announcement headed, *"Drilling to Recommence at 'Snowstorm' at Swifts Creek in Victoria"*, with the program commencing shortly after.

The primary goal of the program is to extend on previous drilling results with the focus around areas that showed strong mineralisation. The drilling aims to delineate economic widths along the Dispute Reef (lower) and Rex Reef (upper) zones. Specifically, targeting the SW extension of SNDDH002 intersection of 3.1m @ 11.6 g/t Au² and SW extension of SNDDH005 intersection of 2.9m @ 3.41 g/t Au³ (Figure 1). The program is targeting mineralisation along strike and down plunge of the maiden drilling and rock chipping results (Figure 2).

First Au is undertaking a targeted minimum of 1,500m of diamond drilling. The program is progressing in line with Company expectations, having now completed several holes at the Dispute Reef. The core sample collected from these holes are currently being prepared to be sent off to the labs for assaying. It is anticipated the samples will arrive at the labs in early November 2021, with results to be released when they are available.

On 11 August 2021, the Company announced that it was undertaking a LIDAR survey in select areas, including Snowstorm. This survey maps topography, providing source data for accurate base maps, surficial feature identification, soils interpretation, and identification of faults and fractures, making exploration in highly vegetated terrain more efficient. The Company is pleased to advise that the survey has been conducted and that data processing is underway, an announcement of the results will be made to the ASX once available.

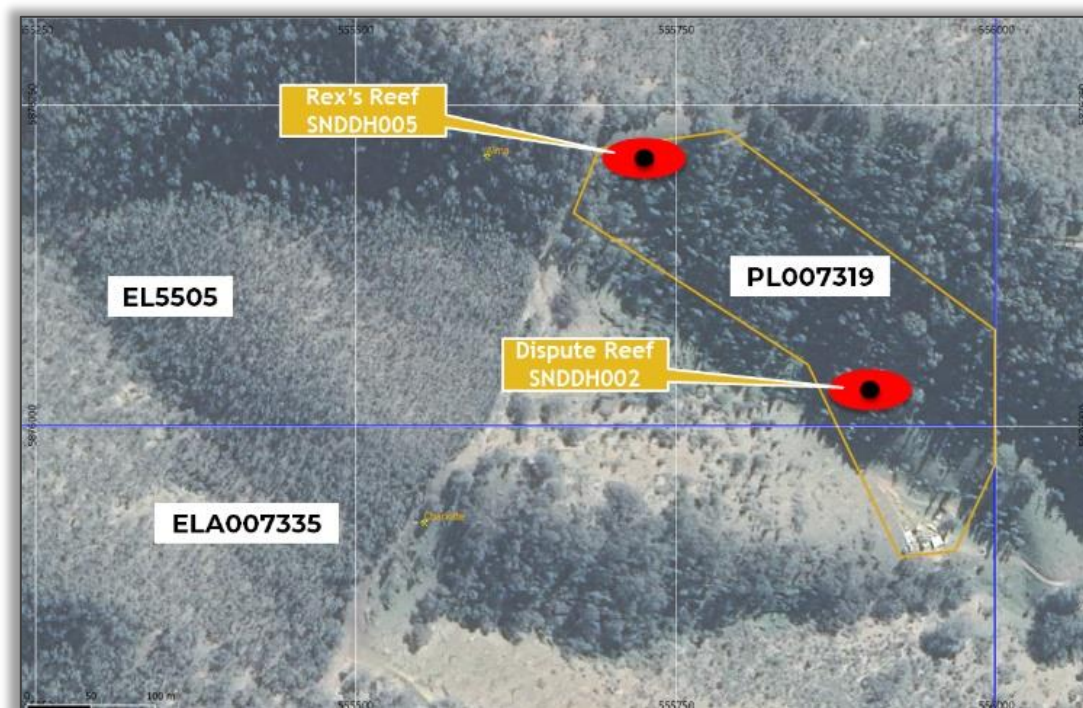


Figure 1: Snowstorm Phase 2 Drilling target definition around SNDDH002 (Dispute Reef) and the SNDDH005 (Rex's Reef). ELA007335 does not form part of First Au's tenure.

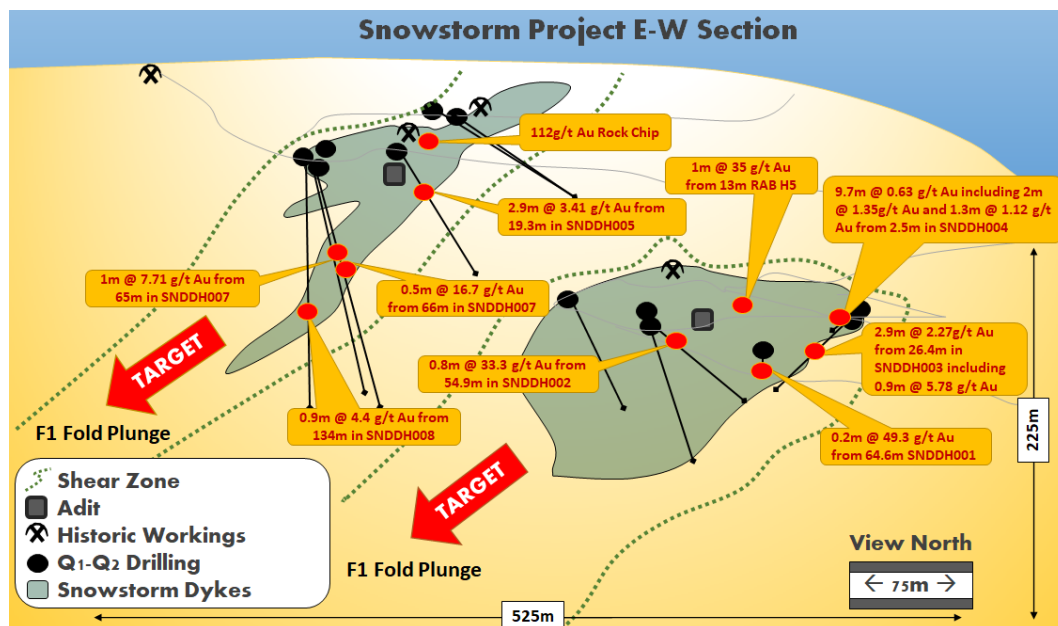


Figure 2: Snowstorm Target locations for upcoming drilling^{2,3}.

Dogwood

On 19th October 2021, the Company released an announcement headed, “*Copper Porphyry Prospect at Dogwood Prospect, Victoria*”. This was a geological review of Tenement Application EL006977, which has highlighted the copper +/- gold porphyry. Dogwood lies within the southern reaches of the Lachlan Fold Belt, considered a world class gold-copper porphyry precinct with the Cadia Deposit (Newcrest Mining, ASX: NCM), the Boda Deposit (Alkane Resources, ASX: ALK) and the Northparkes Mine (CMOC & Sumitomo Group).

The Dogwood Prospect was discovered by Australian Anglo America Prospecting (AAP) in 1980 and last drilled by CRA Exploration in 1993 and 1994, but little recent exploration has been conducted within the area.

A review of CRA drilling data, demonstrates highlights including⁴:

Drillhole ID	Intersection
DD94OR46	7m @ 0.5% Cu (from 64.9m) 13.2m @ 1.3% Cu (from 76.8m)
DD94OR45	0.75m @ 0.4% Cu (from 37.35m) 14.4m @ 0.4% Cu (from 54.5m), including 0.6m @ 3.7 % Cu (from 62.3m)
RC94OR40	12m @ 0.5% Cu (from 54m), including 2m @ 1.0 % Cu (from 56m)
RC93OR25	30m @ 0.5% Cu (from 38m), including 8m @ 1.2 % Cu
RC93OR9	34m @ 0.3% Cu (from 44m), including 6m @ 0.5% Cu
RC93OR43	2m @ 8 g/t Au (from 28m)
RC93OR14C	2m @ 0.4 % Cu , 7 g/t Ag (from 40m)
RC93OR22	22m @ 0.2 % Cu (from 48m)

The best intercept in the supergene chalcocite blanket was 13.2m @ 1.33 % Cu and ended in mineralisation (Figure 3).

As previously advised, the tenement is yet to be granted, however, it remains on track to be granted before the end of the calendar year 2021. First Au has a well-planned drill program prepared in anticipation of grant of the tenement and will provide details on the timing of the drill program once it is able to provide confirmation.

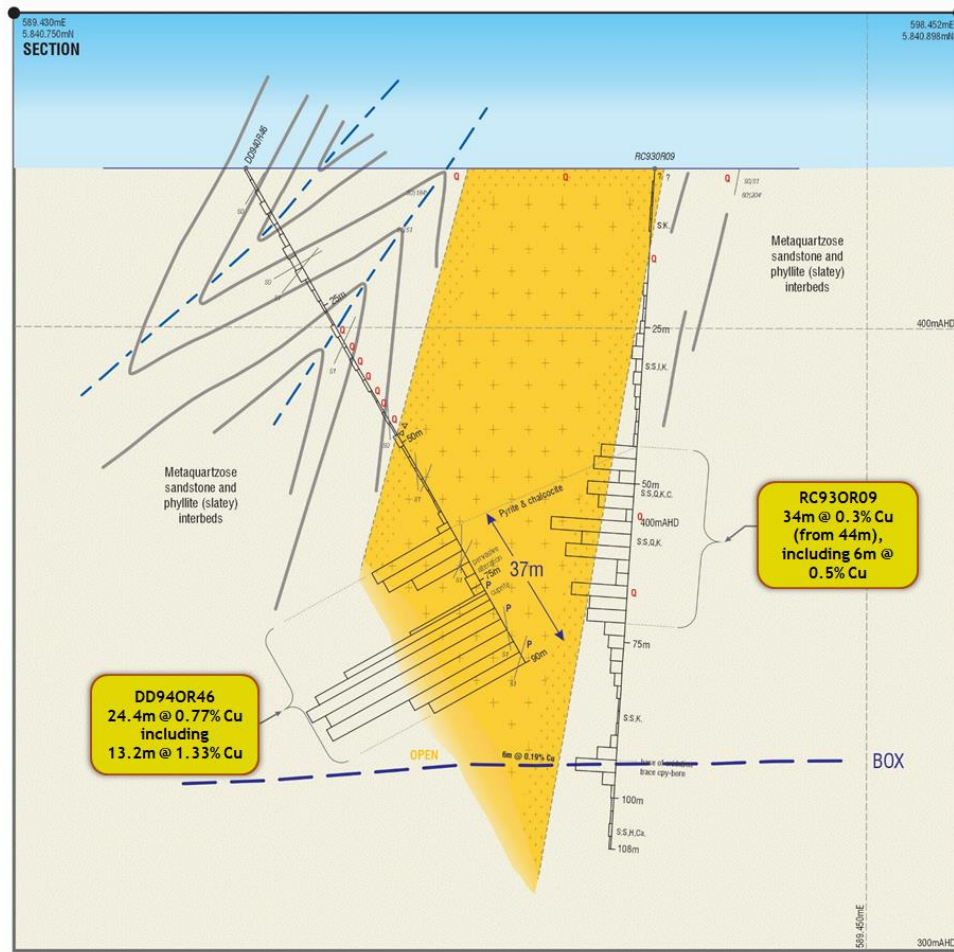


Figure 3. Geological cross section at the Dogwood Cu Porphyry (refer ASX announcement dated 22 September 2021).

Haunted Stream

On 11 August 2021, the Company announced that it was continuing to progress its above ground drilling permit application. The Company recently received approval from Earth Resources Regulation and will now begin working towards drilling at the Ernestine Prospect at Haunted Stream (Figure 4). The Company currently anticipates drilling to commence around the start of Q2 2022.

The Company has also undertaken a LIDAR survey at Haunted Stream in conjunction with the Snowstorm survey.

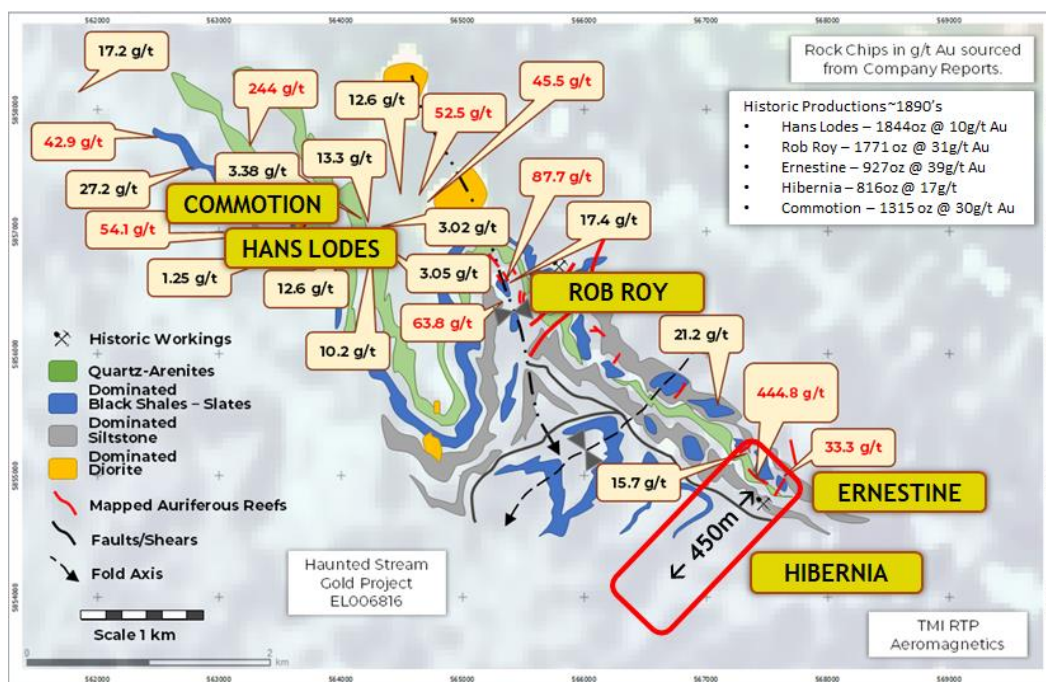


Figure 4. Victorian Goldfields evolving geological interpretation against rock chip samples and historical productions. (Historical productions sourced from Geological Survey Victoria Report 118 by C.E. Willman, V.J. Morand, M.A. Hendrickx, A.H.M. VandenBerg, S.J. Haydon & C. Carney, 1999). Coordinates are in Australian Map Grid MGA94 Zone 55 projection¹.

Mabel Creek, South Australia

On 27 July 2021, the Company released an announcement headed, “New Cu-Au Mabel Creek Project in Highly Prospective Terrain, South Australia”. This is a new project in the high prospective Mabel Creek area of the Northern Gawler Craton, South Australia.

The project area is ideally situated in the northern extent of the Olympic Dam Cu-Au province (Figure 5). The total FAU tenure is ~ 1050, located ~ 45km west of Coober Pedy. Mabel Creek is 100% FAU-owned and was identified through project generation of vacant ground in 2020. All tenements at the Mabel Creek Project have now been granted.

The South Australian Government held a \$250,000 competition named the “Gawler Challenge” 2020, in a world-wide call for Geologists and Data Scientists to uncover new exploration targets in the state's highly prospective Gawler Craton region. The Mabel Creek area was identified by the winner and runner-up in the competition as one of the key prospective areas underexplored for IOCG and Central Gawler-style Au Mineralisation, FAU now has a significant ground holding in this area.

The Mabel Creek tenements straddles a major, deep seeded E-W trending fault system which separates undifferentiated metasediments (including the magnetite BIF) of the Paleoproterozoic Mabel Creek Domain and paragneiss of the Mount Woods Domain. The tenure also contains prospective Hiltaba suite granitic intrusive, an important driver for IOCG and Gawler-style gold mineralisation in the Gawler Craton. The Mabel Creek Geological Domain has relatively thin cover sediment (20-200m) to the rest of the province (up to 1-2 km). The project location is interpreted to be situated along the prospective margin of the Gawler Craton in a similar geodynamic setting to that of other significant IOCG deposits (Figure 5).

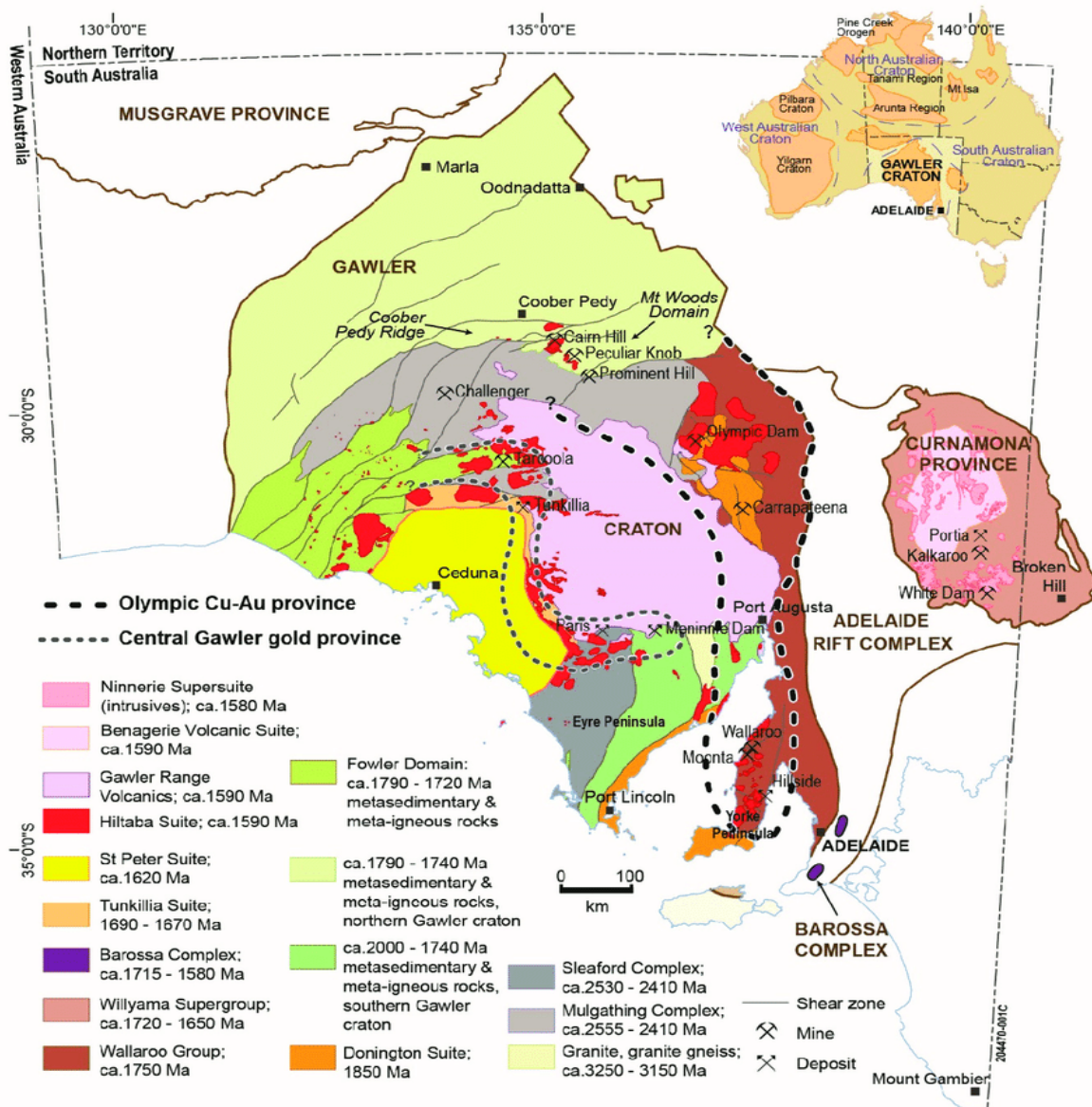


Figure 5. Gawler craton geology map, with location of the Mabel Creek Project (modified after Reid, 2019)

First Au's Geologists have begun a review of historical data and have engaged the consulting geologists who made the winning submission in the "Gawler Challenger". The next steps with the Mabel Creek Project will be to begin early-stage exploration works, which is likely to include a gravity survey and soil sampling, with the intention of generating drill targets to advance the Mabel Creek Project. The Company will provide further updates when it has finalised its exploration plan.

Gimlet Gold Project Area, Kalgoorlie

The Company recently (post quarter end) had two of its tenement applications, E16/542 and E24/226, located near its White Flag Tenement (E24/215) (Figure 6) granted. The Company will conduct a review of the tenements and provide further information to the market on its next steps with the Projects.

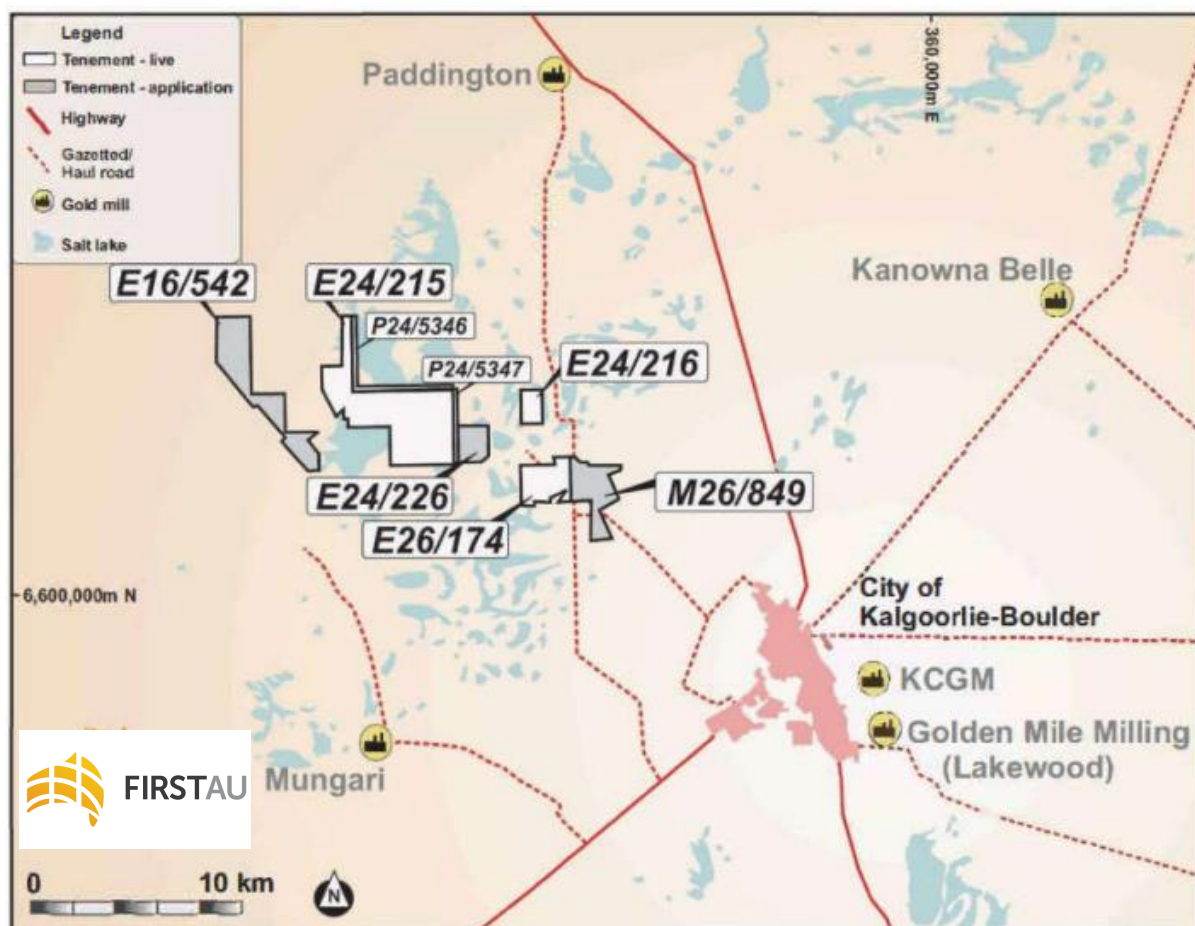


Figure 6. Location map of First Au's projects in the Kalgoorlie region. Gimlet Gold Project – E24/216 and MA26/849. White Flag – E24/215. Newly granted tenements – E15/542 and E24/226.

Corporate Activities – post quarter end

On 13 October 2021, the Company announced that had received firm commitments for a share placement of 153,657,188 fully paid ordinary shares ("Placement Shares") to unrelated sophisticated and professional investors at \$0.012 per Placement Share to raise \$1.84 million (before costs) ("Placement"). The Placement shares were issued on 19 October 2021 after all funds were received.

Every two Placement Shares are proposed to be accompanied by one free-attaching option ("Placement Option") with the same terms as the existing quoted options (FAUOA) of the Company (\$0.02 exercise price and expiry date of 1 July 2023). The issue of the Placement Options is subject to shareholder approval.

The Company is also conducting a Share Purchase Plan ("SPP") to allow eligible shareholders (being those shareholders with an address in Australia or New Zealand at 7.00pm on 12 October 2021) to participate in this capital raising round. Under the SPP, eligible shareholders will each be able to apply for up to \$30,000 of new fully paid ordinary shares ("SPP Shares") in the Company at \$0.012 per SPP Share. The SPP will seek to raise up to \$450,000 (before costs). Every two SPP Shares are proposed to be accompanied by one free-attaching option ("SPP Option") with the same terms as the Placement Options. The issue of the SPP Options is subject to shareholder approval. A Prospectus for the SPP is proposed to be lodged with ASIC and released to ASX in the coming days.

The funds raised will allow for the fast-tracking of various exploration activities, primarily at FAU's priority projects in East Gippsland, Victoria and also the Mabel Creek Project in South Australia.

Refer attached Appendix:

- Appendix A: Tenement Schedule as at 30 September 2021
- Appendix B: Financial analysis of selected items within Appendix 5B

Authorised by:



Bryan Frost
Executive Chairman, Managing Director

About First Au: First Au is an advanced gold and base metals exploration company listed on the Australian Securities Exchange (ASX: FAU) and is trading on the OTCQB market in the USA (OTCQB: FRSAF) and is pursuing a well-funded and aggressive exploration program at its 100% owned Gimlet Gold project near Kalgoorlie and Victorian Goldfields Project in East Gippsland.

Enquiries in relation to this announcement please contact:

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The information in this ASX Release that relates to Exploration Results is extracted from the following reports which are all available at www2.asx.com.au.

1. 3 June 2020, "First Au to acquire Victorian Gold Exploration Project", Dr Gavin England, competent person.
2. 7 April 2021, "Early Drill Results Positive at Snowstorm", Dr Gavin England competent person.
3. 10 June 2021, "Snowstorm Drilling Intersects Mineralised Dyke Swarm", Dr Gavin England, competent person.
4. 22 September 2021, "Copper Porphyry Potential at Dogwood Prospect", Dr Gavin England, competent person.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The Company confirms that the form and

context of the respective competent persons' findings in relation to those reports have not been materially modified from the original market announcements.

Appendix A: Tenement Schedule - as at 30 September 2021

Mining Leases & Exploration Licences:

Tenement #	Note	Tenement name	Title Holder	Tenement Ownership	State	Acquired during the Quarter	Disposed during the Quarter
E26/174	-	Gimlet	FAU	FAU 100%	WA	-	-
P24/5346	-	Gimlet	FAU	FAU 100%	WA	-	-
P24/5347	-	Gimlet	FAU	FAU 100%	WA	-	-
E45/3679	-	Talga	FAU	FAU 100%	WA	-	-
E45/5595	-	Razorback	FAU	FAU 100%	WA	-	-
E45/5596	-	Razorback	FAU	FAU 100%	WA	-	-
E45/3857	-	Talga	FAU	FAU 100%	WA	-	-
E45/4137	-	Razorback	FAU	FAU 100%	WA	-	-
E45/4615	-	Talga West	FAU	FAU 100%	WA	-	-
E45/5571	-	Talga Talga	FAU	FAU 100%	WA	-	-
E24/216	-	White Flag	FAU	FAU 100%	WA	-	-
E45/990	1	Tambina	Tambina Gold	FAU 20%, Tambina Gold 80%	WA	-	-
E45/991	1	Tambina	Tambina Gold	FAU 20%, Tambina Gold 80%	WA	-	-
E45/988	1	Tambina	Tambina Gold	FAU 20%, Tambina Gold 80%	WA	-	-
EL006816	-	Haunted Stream	Jacquian Pty Ltd	FAU 80% Jacquian 20%	VIC	-	-
PL007319	-	Snow Storm	Mines of Stirling	Mines of Stirling 100%	VIC	-	-
EL5505	2	Snow Storm	Mines of Stirling	Mines of Stirling 100%	VIC	-	-

Note 1: Refer Announcement to the ASX dated 13 March 2019. FAU acquired an initial 20% interest in Tambina's three mining leases on payment of \$60,000 and other conditions set out in the announcement that have now been satisfied. FAU has the exclusive right to earn up to a maximum aggregate 80% joint venture interest by sole funding joint venture expenditure up to \$500,000 within three years from the commencement date.

Note 2: Refer Announcement to the ASX dated 9 July 2020. FAU announced that it had entered into an option agreement with Mines of Stirling Pty Ltd to acquire an 85% interest (diluting to 80%) in granted exploration licence EL5505 and prospecting licence application PL007319 (Snowstorm project).

Appendix B: Financial Analysis of selected items within Appendix 5B

Aggregate amount of payments to related parties and their associates included in item 6.1 of Appendix 5B for the quarter ended 30 September 2021:

Comprising:

	\$A'000
Directors Services	33
Executive Chairman & Managing Director Services	63
Consulting services by a Director on normal commercial terms	51
Legal services provided by a legal firm of which a director is a Partner. Services provided on normal commercial terms	4
Geological services provided by the Technical Director on normal commercial terms	21
Appendix 5B – item 6.1 Total	172

Appendix 5B

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

Name of entity

FIRST AU LIMITED (ASX: FAU)

ABN

65 000 332 918

Quarter ended ("current quarter")

30 September 2021

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers-share trading	180	689
1.2	Payments for		
	(a) exploration & evaluation	(592)	(2,231)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	-	-
	(e) administration and corporate costs	(283)	(963)
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-GST Refund	79	290
	Other Payments-share trading	(119)	(612)
1.9	Net cash from / (used in) operating activities	(735)	(2,827)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

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 (9 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	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	1,280
	Proceeds from issue of options	-	2,310
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 & options or convertible debt securities	-	(131)
3.5	Proceeds from borrowings (Insurance premium funding)	52	52
3.6	Repayment of borrowings (Premium funding)	(6)	(24)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	(4)	(4)
3.10	Net cash from / (used in) financing activities	42	3,483

4.	Net increase / (decrease) in cash and cash equivalents for the period	(693)	656
4.1	Cash and cash equivalents at beginning of period	2,463	1,114
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(735)	(2,827)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-

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 (9 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	42	3,483
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,770	1,770

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	1,770	2,463
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)	1,770	2,463

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	172
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<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>		

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

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	Not Applicable	
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)	(735)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(735)
8.4 Cash and cash equivalents at quarter end (item 4.6)	1,770
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	1,770
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	2.41
<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: 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	

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: 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.

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: 28 October 2021

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.