

Quarterly Activities Report – September 2021

Highlights:

- Springdale Graphite Project natural flake performed exceptionally in metallurgical test programs at a specialist facility in Germany
- Results from micronisation, spheronisation and purification met industry specification for battery anode material with purification up to 99.99% graphite content achieved
- The graphite also performed exceptionally in jet milling tests – Jet milled graphite products can also achieve premium prices in graphite markets
- Initial drilling program completed at the Santa Teresa Gold Project - results pending
- Re-assaying of diamond core from the 2008 drilling program at Santa Teresa confirmed intersections of high-grade gold, including ‘bonanza’ grade hits – Significant intersections included:
 - 1.0m at 132.0g/t gold from 112.7m (ST-0013)
 - 1.0m at 52.8g/t gold from 20.0m (ST-0003)
 - 1.0m at 27.9g/t gold from 142.0m (ST-0026)
 - 1.0m at 24.9g/t gold from 217.0m (ST-0001)

Post Quarter End:

- Comet and International Graphite to create a high-technology, vertically integrated industrial and battery anode graphite product company in Western Australia
- The Company adopted a global standard for ESG reporting

Comet Resources Limited (**Comet** or the **Company**) (**ASX:CRL**), is pleased provide the Quarterly Activities Report and Appendix 5B for the quarter ending 30 September 2021 (the **Quarter**). The Company finalised its initial drilling program at the Santa Teresa Gold Project during the quarter. Completion of assays of drill core and interpretation of results has been ongoing since the field work completed, with the results from the program expected to be available in the near term. Results from re-assay of drill core from the 2008 drilling program at Santa Teresa were also released, confirming the previous assays for that drilling program showing areas of high grade gold mineralisation. In addition, we received the results from metallurgical test programs undertaken in Germany on natural flake graphite from the Springdale Graphite Project. The results of these tests demonstrated that the graphite was amenable to the production of high purity spherical graphite, meeting industry specifications for the production of battery anode material, as well as being suitable for the production of high value micronised industrial graphite products, such as jet milled graphite.

Post the end of the quarter, the Company announced that we would create a high-technology, vertically integrated industrial and battery anode graphite product company in Western Australia by completing a transaction with International Graphite Limited (International Graphite). Under the proposed transaction Comet will vend its Springdale Graphite Project into International Graphite in return for shares initially valued at \$8M upon completion of an initial public offer and subsequent listing on the ASX by International Graphite. The transaction will see Comet now participate in both the value created by the resource and the substantial value created by downstream processing into end user products.

Matthew O’Kane, Managing Director of Comet Resources, commented **“The Company continued to advance our work programs on multiple projects within the portfolio this quarter, with the focus being on the Springdale Graphite Project and the Santa Teresa Gold Project during the**

period. The great results we received from the graphite test work completed in Germany laid the foundation for the successful completion of the agreement with International Graphite, of which we are very excited about. Comet will now also participate in the significant value created by the downstream processing of graphite into end user products, as well as in the value created by the resource, which is a great outcome. We are confident we have selected the right partner in International Graphite, who are highly technically competent and have already received WA government support with a \$2M grant, and we look forward to working with them on making the business a success for all stakeholders. We should also soon have the final results of the drilling program from Santa Teresa, and we will share those as soon as they are available.”

Work Program and Outlook:

Program	Aim & Details	Status
Santa Teresa Gold Project	Re-assaying of historical drill core	Complete
	Initial drill program planning	Complete
	Initial drill program	Complete
	Assaying and release of drilling results	Nov 2021
	Revised JORC resource	Q4/2021 – Q1/2022
Northern Territory Copper-Gold Projects	Finalise agreement to acquire tenement portfolio	Complete
	Initial site visit and assessment	Q4/2021
	Initial exploration program planning	Q4/2021
Barraba Copper Project	Completion of Permitting for Gulf Creek ¹	Q1/2022
	Initial drilling program at Gulf Creek ²	Q2/2022
	Assays and interpretation of drilling results	
	<small>1 Subject to successful resolution of Native Title matters at the NNTT.</small>	
	<small>2. Subject to permitting.</small>	
Springdale Graphite Project	Approval of International Graphite transaction at AGM	Q4 2021

Springdale Graphite Project:

Comet announced on 21 September 2021, the results of specialist test work on natural flake graphite from its Springdale Graphite Project (**Springdale**) located in Western Australia. The test work results demonstrated the suitability of Springdale’s graphite to undergo micronisation (in hammer mills), spheronisation and purification processes to the high specification levels necessary to produce precursor material for use in the manufacture of lithium-ion battery anodes. Additional test work will be conducted to optimise the results of the already impressive initial test results.

In addition, the Springdale graphite sample was also tested for performance in jet milling. Due to the fine flake size, the material was easy to micronise in a jet mill with good throughput and low energy consumption. The product was assessed as achieving industry standards for jet mill specification. Jet milled product, like lithium-ion battery anode precursor material, can also achieve premium pricing in graphite markets.

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The results of the test work confirm Springdale's graphite material is high-value and suitable for value added processing.



Picture 1: SEM image of 20 micron spherical graphite

International Graphite transaction:

Subsequent to the end of the September quarter, Comet announced on 27 October 2021 that it had reached an agreement with International Graphite Ltd (**International Graphite**) to form a vertically integrated high-technology graphite business located in Western Australia to focus on the production of micronised, battery anode material and other products for lithium-ion batteries. Comet will gain its stake in the venture via the vend-in of its Springdale Graphite Project into International Graphite (the **Transaction**). Springdale is uniquely suited as a feedstock source for International Graphite's facility in Collie, Western Australia, not only due to its location but also due to the amenability of its graphite to be processed into high value products, such as battery anode material, based on the test work as reported above. International Graphite plans to complete an IPO and seek admission to the ASX to join the relatively limited group of publicly listed lithium-ion battery anode material graphite companies.

The Transaction is subject to Comet shareholder approval, as well as conditional approval from the ASX for the initial public offering (IPO) and subsequent admission of International Graphite to the ASX.

Transaction Structure and Timeline

Comet will receive 40,000,000 shares in International Graphite at completion of its IPO, initially valued at \$8 million based on the proposed IPO issue price per share of \$0.20, in exchange for the sale of tenements E74/612 and E74/562, which together form the Springdale Graphite Project. Following the Transaction and IPO, Comet is expected to own approximately 25% of International Graphite. The Company will also be entitled to nominate one person to International Graphite's board of directors.

International Graphite plans to complete its IPO by raising \$6-8 million by the end of the first quarter of 2022 calendar year. Comet will provide its shareholders with a more detailed timeline for the proposed IPO at a later date. Please refer to the announcement of 27 October 2021 for full details.

Santa Teresa Gold Project:

On 1 September 2021, Comet announced the results of several work programs at its Santa Teresa Gold Project (the "Project") in Baja California, Mexico, including results from re-assaying of historical drill-holes from the 2008 diamond drilling program, assays from a surface sampling program and results from phase 1 metallurgical test work

Prior to commencing 2021 drilling, the Company's Mexico-based geological consultants completed a detailed review of historical drill-core for re-sampling, and also conducted a surface sampling program at Santa Teresa. These activities were undertaken to better understand the geochemistry of the Project and the correlation between veins that outcrop at surface and the veins that were intercepted at depth in historical drilling (see Figures 1 and 2 respectively for details on the location of the diamond drilling holes that were re-sampled and the location of surface samples).

Comet has now received assay results from the re-assaying program of 22 drill-holes that were drilled in 2008. The results included a number of significant high-grade gold intersections, including 'bonanza' grades in some (Refer to release 1 September 2021 for full details).

Significant intersections included:

- **1.0m at 132.0g/t gold** from 112.7m (ST-0013)
- **1.0m at 52.8g/t gold** from 20.0m (ST-0003)
- **1.0m at 27.9g/t gold** from 142.0m (ST-0026)
- **1.0m at 24.9g/t gold** from 217.0m (ST-0001)

The assays came from 95 samples that were selected after reviewing 7,025 metres (from a total of 32 drill-holes) of diamond HQ drill core from the 2008 drilling program at Santa Teresa. The aim was to correlate significant intersections previously sampled under the Company's own, more modern QA/QC protocols.

Initial metallurgical test work on a sample of approximately 25kg of composited historical pulps at ALS reported that there is clearly gravity recoverable gold in the sample, with between 46% and 60% of the gold being recovered across a range of grind sizes, and 83% to 90% of the gold in the gravity tailings being recovered in rough floatation concentrate. The overall combined recovery of gold from gravity and floatation combined therefore ranged from 91% to 96%. These excellent recoveries confirm Comet's view that Santa Teresa Gold Project's gold is 'free milling' and amenable to low capital and operating cost gravity and flotation processing solutions should a decision to mine be made in the future.

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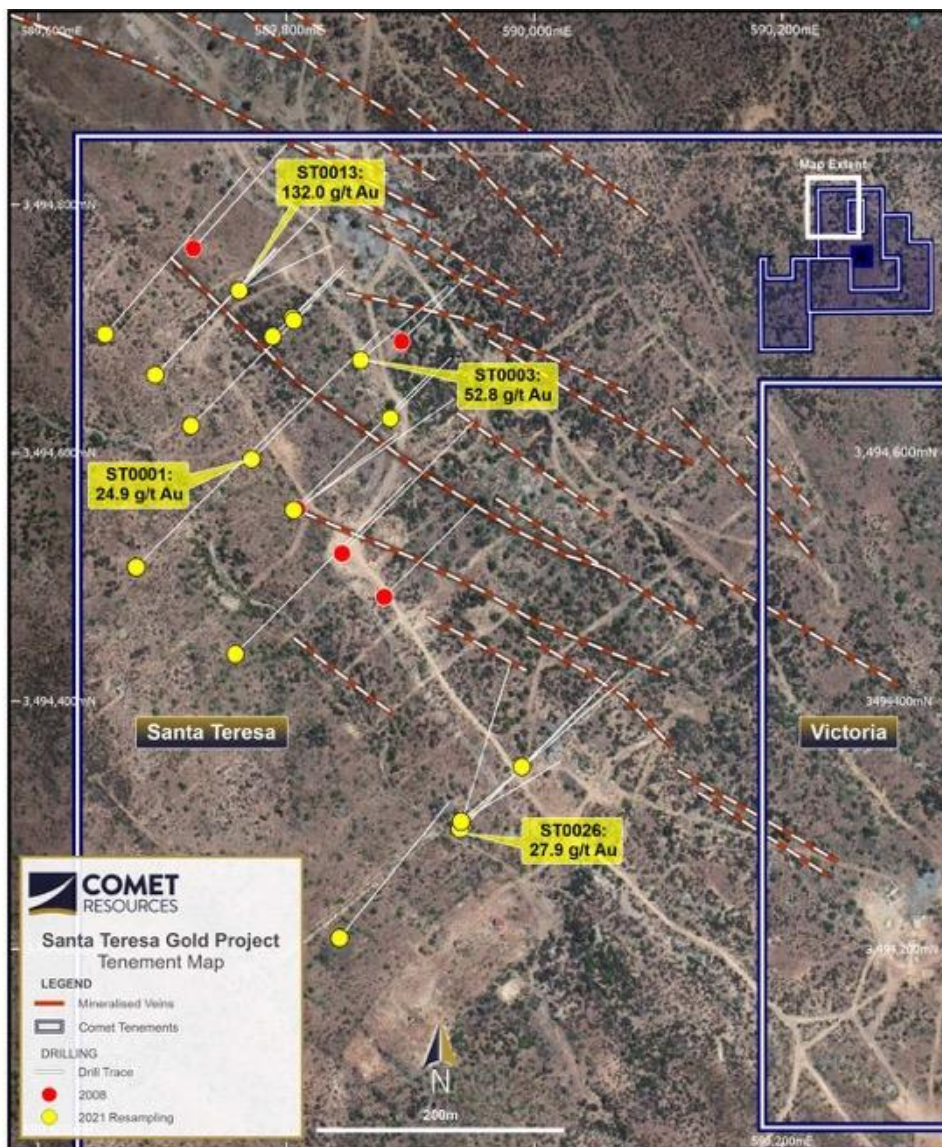


Figure 1: Location of 2008 drill collars and 2021 re-assayed collars

Barraba Copper Project:

During the June quarter a geophysics survey was flown at the Barraba Copper Project (“Barraba”). The results of this survey are pending as the provider of the services has encountered issues with processing of the data recorded. The Company has been advised that these issues require significant work to rectify, and data is not yet available for interpretation. We hope to receive this data for interpretation during Q4, 2021.

Work is ongoing regarding permitting of drilling activities at Barraba around the Gulf Creek Mine. This is the priority area for commencement of drilling activity at Barraba. The land around the Gulf Creek Mine is covered by a native title claim, and the Company has been working with the claimant’s, the NSW Government and other stakeholders for more than 12 months to reach a resolution. Being unable to do so in a time frame acceptable to the Company we have now entered into a determination

process with the National Native Title Tribunal (NNTT) to bring the matter to a conclusion. During the quarter this process was ongoing, and submissions to the NNTT are due from the Company and the Native Title claimants prior to the close of Q4, 2021. The NNTT will then review the submissions and we expect a decision from them in Q1, 2022.

ESG:

On 6th October 2021 the Company announced it had adopted an Environmental, Social, and Governance (ESG) framework with 21 core metrics and disclosures created by the World Economic Forum (WEF)¹ which we will use to disclose our status and progress towards meeting our ESG goals on a regular basis in our quarterly and annual reports. Our first report against progress on our ESG objectives will be made in our Q4, 2021 quarterly report.

Corporate Activities:

Pursuant to Section 6 of the Appendix 5B, the Company paid \$100,309 in director fees, superannuation and wages to the board of Comet Resources Limited. Expenditure incurred from operating and investing activities during the Quarter relates to legal and technical due diligence in regard to project acquisitions, exploration costs and for general working capital purposes (the **Sep Q** Expenditure). A further breakdown is included below.

Sep Q Expenditure Summary

- Metallurgical Test Work programmes
- Exploration Drilling
- Geological consultants
- Project management expenses for the Santa Teresa Project in Mexico
- Field expenses and preparation of work programs
- Technical consulting fees
- Tenement access, administration and management
- Corporate and administrative expenses
- Project Acquisition related expenses

This announcement has been authorised by the Board of Comet Resources Limited.

For further information please contact:

MATTHEW O'KANE

Managing Director

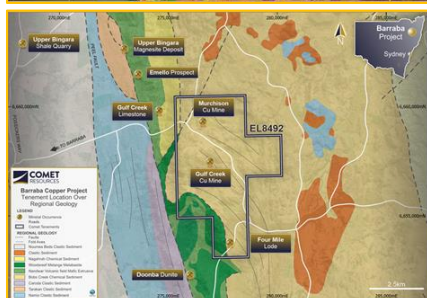
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About Comet Resources



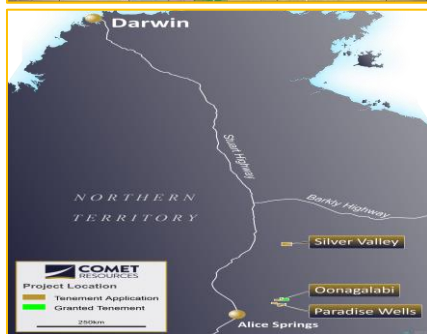
Santa Teresa Gold Project (Mexico)

The Santa Teresa Gold Project is comprised of two mineral claims totalling 202 hectares located in the gold rich El Alamo district, approximately 100 km southeast of Ensenada, Baja California, Mexico; and 250 km southeast of San Diego, California, USA. The Project is prospective for high grade gold. In addition to the two claims of the Project, two additional claims totalling a further 378 hectares in the surrounding El Alamo district are being acquired from EARL.



Barraba Copper Project (NSW)

The 2,375ha exploration license that covers the project area, EL8492, is located near the town of Barraba, approximately 550km north of Sydney. It sits along the Peel Fault line and encompasses the historic Gulf Creek and Murchison copper mines. The region is known to host volcanogenic massive sulphide (VMS) style mineralisation containing copper, zinc, lead and precious metals. Historical workings at Gulf Creek produced high-grade copper and zinc for a short period around the turn of the 19th century, and this area will form a key part of the initial exploration focus.



Northern Territory Projects (NT)

The portfolio of Northern Territory exploration licenses and exploration license applications covers an area of approximately 840km². Although historical exploration results were indicative of near surface gold and copper mineralisation, very limited modern exploration has occurred. Comet plans to utilise modern exploration techniques to rapidly advance the scale of known mineralisation, especially where known geophysical and geochemical anomalies exist that have not been comprehensively drill tested.



Springdale Graphite Project (WA)

The 100% owned Springdale graphite project is located approximately 30 kilometres east of Hopetoun in South Western Australia. The project is situated on free hold land with good access to infrastructure, being within 150 kilometres of the port at Esperance via sealed roads. The tenements lie within the deformed southern margin of the Yilgarn Craton and constitute part of the Albany-Fraser Orogen. Comet owns 100% of the three tenement's (E74/562 and E74/612) that make up the Springdale project, with a total land holding of approximately 198 square kilometres.

Appendices

Tenement List

Project	Location	Tenement	Interest
Springdale	WA	E74/562	100%
		E74/612	100%
Bell's find	NSW	M74/1055	25%
Barraba	NSW	EL8492	80%

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	NT	EL32279	100%
Northern Territory Assets		ELA32664	100%
		ELA32190	100%
		ELA32241	100%
			223182
Santa Teresa	Mexico	210705	50%
		230380	50%
		237573	50%

Forward-Looking Statement

This announcement includes forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning Comet Resources Limited’s planned exploration programs, corporate activities and any, and all, statements that are not historical facts. When used in this document, words such as "could," "plan," "estimate," "expect," "intend," "may", "potential," "should" and similar expressions are forward-looking statements. Comet Resources Limited believes that its forward-looking statements are reasonable; however, forward looking statements involve risks and uncertainties and no assurance can be given that actual future results will be consistent with these forward-looking statements. All figures presented in this document are unaudited and this document does not contain any forecasts of profitability or loss.

Competent Person Statement

The information in this report that relates to the results of re-assay of diamond drill core from the 2008 drilling program at the Santa Teresa Gold Project as well as the assay of surface samples collected at the Santa Teresa Gold Project is based on information compiled by Mr Francisco Carranza Heredia, a Certified Professional Geologist (CPG 11933) with the American Institute of Professional Geologists. Mr Carranza has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’. Mr Carranza consents to the inclusion in the report of the matters based on his information in the form and context in which they appear.

The information in this report that relates to Mineral Resources and metallurgical test work conducted on sample material from the Mineral Resource is based on information compiled by Matthew Jones, who is a Competent Persons and Member of The Australasian Institute of Mining and Metallurgy. Matthew Jones is a consultant and was previously Exploration Manager of the Company. He 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”. Matthew Jones consents to the inclusion in this report of the matters based on their information in the form and context in which it appears.

ASX Listing Rules Compliance Statement

In preparing the Quarterly Report for the period ended 30 September 2021 and to date, the Company has relied on the following ASX announcements. This report contains information extracted from ASX releases and reports cited herein. These are available to view on the website. In relying on the above ASX announcements and pursuant to ASX Listing Rule 5.23.2, the Company confirms that it is not aware of any new information or data that materially affects the information included in the abovementioned announcements or this Quarterly Report for the period ended 30 September 2021 and to date.

ASX Announcement	27/10/2021	CRL and International Graphite to create integrated business
ASX Announcement	06/10/2021	Comet adopts ESG Reporting
ASX Announcement	21/09/2021	Exceptional performance from Graphite Battery Anode Testing
ASX Announcement	1/09/2021	Historical assays up to 132 g/t at Santa Teresa
ASX Announcement	19/07/2021	Graphite Metallurgical Test Work Progress Update
ASX Announcement	09/06/2021	Drilling Commences at Santa Teresa Gold Project
ASX Announcement	19/05/2021	HOA signed for Highly Prospective Santa Teresa Gold Project
ASX Announcement	11/05/2021	Acquisition Completion of NT Copper Projects

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ASX Announcement	10/05/2021	Drilling Permit for Santa Teresa Gold Project Received
ASX Announcement	14/04/2021	Graphite Metallurgical Test Work Update
ASX Announcement	19/03/2021	Acquisition of Highly Prospective Copper-Gold Project in NT
ASX Announcement	02/03/2021	Aeromagnetic Survey to Commence at Barraba Copper Project
ASX Announcement	08/02/2021	COMET RAISES \$1M IN STRATEGIC INVESTOR PLACEMENT
ASX Announcement	03/02/2021	Santa Teresa Gold Project Update
ASX Announcement	13/01/2021	High Grade Copper and Zinc Mineralisation Confirmed
ASX Announcement	16/12/2020	Santa Teresa Gold Project Drilling to Commence Q1 2021
ASX Announcement	26/11/2020	Extensive Surface Copper Mineralisation at Barraba Project
ASX Announcement	29/10/2020	Quarterly Activities Report and Appendix 5B Sep 2020
ASX Announcement	22/10/2020	Comet Gains Access to Explore Barraba Copper Project
ASX Announcement	15/10/2020	Appointment of Project Manager - Santa Teresa Gold Project
ASX Announcement	13/10/2020	Initial JORC Resource - Santa Teresa Gold Project
ASX Announcement	25/08/2020	Santa Teresa Gold Project Acquisition Completion
ASX Announcement	21/08/2020	Excellent Graphite Grades - Initial Metallurgical Test Work
ASX Announcement	23/07/2020	Barraba Copper Project Update
ASX Announcement	15/07/2020	Excellent Graphite Grades - Initial Metallurgical Test Work
ASX Announcement	09/06/2020	Acquisition - Santa Teresa Gold Project and Stream Financing
ASX Announcement	04/06/2020	Acquisition - Santa Teresa Gold Project and Stream Financing
ASX Announcement	16/04/2020	Capital Raising Closed and Project Acquisition Completed
ASX Announcement	23/01/2020	Copper Project Acquisition
ASX Announcement	28/11/2019	Highest Grade Graphite Intercept to date from North Zone
ASX Announcement	25/11/2019	West Zone Hole Confirms High Grade Graphite Continuity
ASX Announcement	15/10/2019	More High Grade Results From Latest Diamond Drilling
ASX Announcement	09/07/2019	EM Survey Targets Extensions to High-Grade Graphite Resource
ASX Announcement	18/06/2019	Large Priority Graphite Exploration Target Identified
ASX Announcement	07/05/2019	Comet Discovers Two New High Grade Graphite Zones

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 **ASX:CRL**

Appendix 5B

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

Name of entity

Comet Resources Limited

ABN

88 060 628 202

Quarter ended ("current quarter")

30 September 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(799)	(799)
(b) development	-	-
(c) production	-	-
(d) staff costs	(58)	(58)
(e) administration and corporate costs	(216)	(216)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	(12)	(12)
1.9 Net cash from / (used in) operating activities	(1,084)	(1,084)

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 (3 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)	-	-
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 (Raptor Financing)	-	-
3.10	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	2,351	2,351
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,084)	(1,084)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

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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 (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(11)	(11)
4.6	Cash and cash equivalents at end of period	1,256	1,256

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	1,236	2,331
5.2	Call deposits	20	20
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)	1,256	2,351

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	100
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 <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(1,084)
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)	(1,084)
8.4 Cash and cash equivalents at quarter end (item 4.6)	1,256
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	1,256
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	1.16
<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: The Company expects that it's operating cash outflows will reduce materially over the next 2 quarters due to the completion and payment for both exploration programs and metallurgical test programs during the period. With the reduced operational cash outflows the Company forecasts it will have sufficient cash available for more than 2 quarters moving forward.	

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

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: The Company is currently working on the release of results from an exploration program recently completed in Mexico. Once those results are released and further review and analysis of the results has been completed, a decision will then be made on further fund raising.

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: The Company does expect to be able to continue its operations and meet its business objectives. It is currently in process of a deal to sell its graphite project to International Graphite, which will then fund the project moving forward, and it is confident of its ability to raise further funding to support future work programs on its Copper and Gold projects when required.

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:29/10/21.....

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.

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