

## Quarterly Highlights

### High Purity Manganese

#### Key Offtake and Financing Agreement Signed:

- Element 25 Ltd (E25) and Stellantis N.V. (NYSE / MTA / Euronext Paris: STLA) (Stellantis) sign definitive agreements for the supply of battery-grade high purity manganese sulphate (HPMSM) for Stellantis' EV battery requirements.
  - E25 to supply up to **45,000t HPMSM over five years** with provisions to increase volumes and extend term.
  - Stellantis to part-fund development of E25's HPMSM processing facility with **US\$30M investment** in two tranches.
- Combined offtake/financing solution with OEMs and cathode manufacturers remains preferred strategy to deliver Project.

#### Project Location

- The United States Inflation Reduction Act (IRA) to inject hundreds of billions of dollars into clean energy EV incentives.
- Geopolitical shift due to the IRA causes perceptible shift in appetite for North American battery materials including HPMSM.
- Discussions with OEMs drives potential shift to a USA base case for the HPMSM Feasibility Study.
- Multiple sites in the USA being actively assessed to minimise capital, explore local incentives, prioritise local reagent supply, investigate co-location opportunities and optimise supply chains.
- E25 appoints Worley Group to lead the engineering studies for FS localisation for a USA site.
- Ernst & Young to advise on potential federal, state and local funding support for a USA based HPMSM Facility.
- Sarawak Malaysia remains a favourable location for a second HPMSM facility subject to approval of (government incentives).
- Feasibility Study (FS) delivery date shifted to Q1 CY23 to accommodate USA activities, overall project timeline on track.

#### Process Test Work

- Purification test work produced very high-quality HPMSM liquor. Continuous crystallisation test in progress.
- Test work supports future ambition to offer an ultra-high purity manganese sulphate monohydrate (UHPMSM) product.

### Corporate

- Heavily oversubscribed A\$35 million Placement completed to fund HPMSM feasibility, engineering optimisation works and costs, as well as working capital.

## COMPANY SNAPSHOT

#### Market Summary

ASX code: E25  
Shares on issue: 185M

#### Board of Directors:

|                  |          |                     |     |
|------------------|----------|---------------------|-----|
| Seamus Cornelius | Chairman | Fanie van Jaarsfeld | NED |
| Justin Brown     | MD       | Sam Lancuba         | NED |
| John Ribbons     | NED      |                     |     |

## Butcherbird Operations

### Production

Mining and processing operations continued at the Company's 100% owned Butcherbird Manganese Project (Project) in Western Australia. Initiatives to improve operational performance continue with respect to debottlenecking the processing plant and gathering material handling knowledge to inform design decisions to improve clay handling both in the current processing installation and the planned expanded facility which is expected to improve profitability by reducing unit costs through economies of scale benefits.

The site cost structure at the Butcherbird operations is relatively fixed and therefore unit costs are influenced primarily by the volume of concentrate produced for the fixed expenditure. The balance of the costs including road transport and shipping are unit based and therefore are not impacted in the same way. The primary profitability driver is therefore the production volumes achieved.

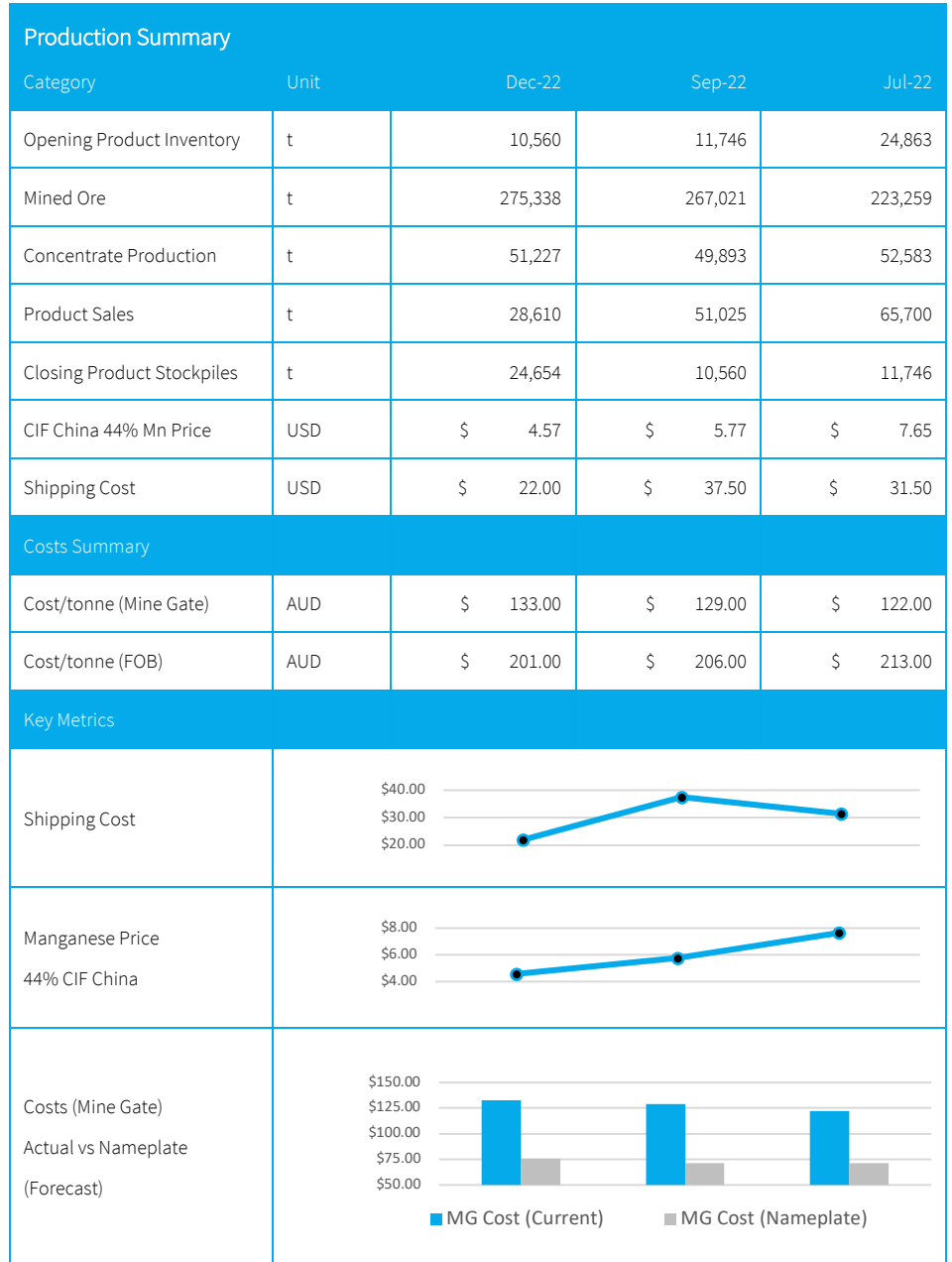


Figure 1. Butcherbird Production Summary

Outside of the costs directly under the Company's control, the three principal drivers are the manganese price, shipping costs and diesel prices, which are passed through to the Company under the various contracting arrangements. In the December quarter, manganese prices were at cyclical lows and diesel costs remain stubbornly high, which has impacted on the business. Importantly, January 2023 has seen some very low shipping tenders coming through compared to what has been experienced since operational start-up, which has been adversely affected by various policies in place around quarantine periods. For the

first time, we are seeing shipping prices below USD \$20/t for Panamax vessels, which is in line with the forecasts in the Pre-Feasibility Study (PFS) released in 2020<sup>1</sup>.

The constraints on throughput continue to be caused by difficulties in processing the clay rich feed material particularly through the front end of the facility. Extensive work has been undertaken on the optimisation of maintenance and uptime rates, however the front end comminution continues to be a difficult area with respect to achieving production targets.

Engineering works are ongoing to re-design the processing flowsheet to improve front end design to alleviate and improve efficiencies. The strategy for incorporating a dense media circuit into the backend of the process remain on foot and an update as soon as practicable with respect to forward planning in this area.

Accessing sufficient skilled labour also remains a key issue in achieving the Company's operation targets.

## HPMSM Project

Element 25 plans to produce HPMSM from manganese oxide concentrates currently produced at the Company's 100% owned Butcherbird Project. A Feasibility Study (FS) for the Company's first HPMSM production facility located in the USA (Facility) is currently being undertaken.

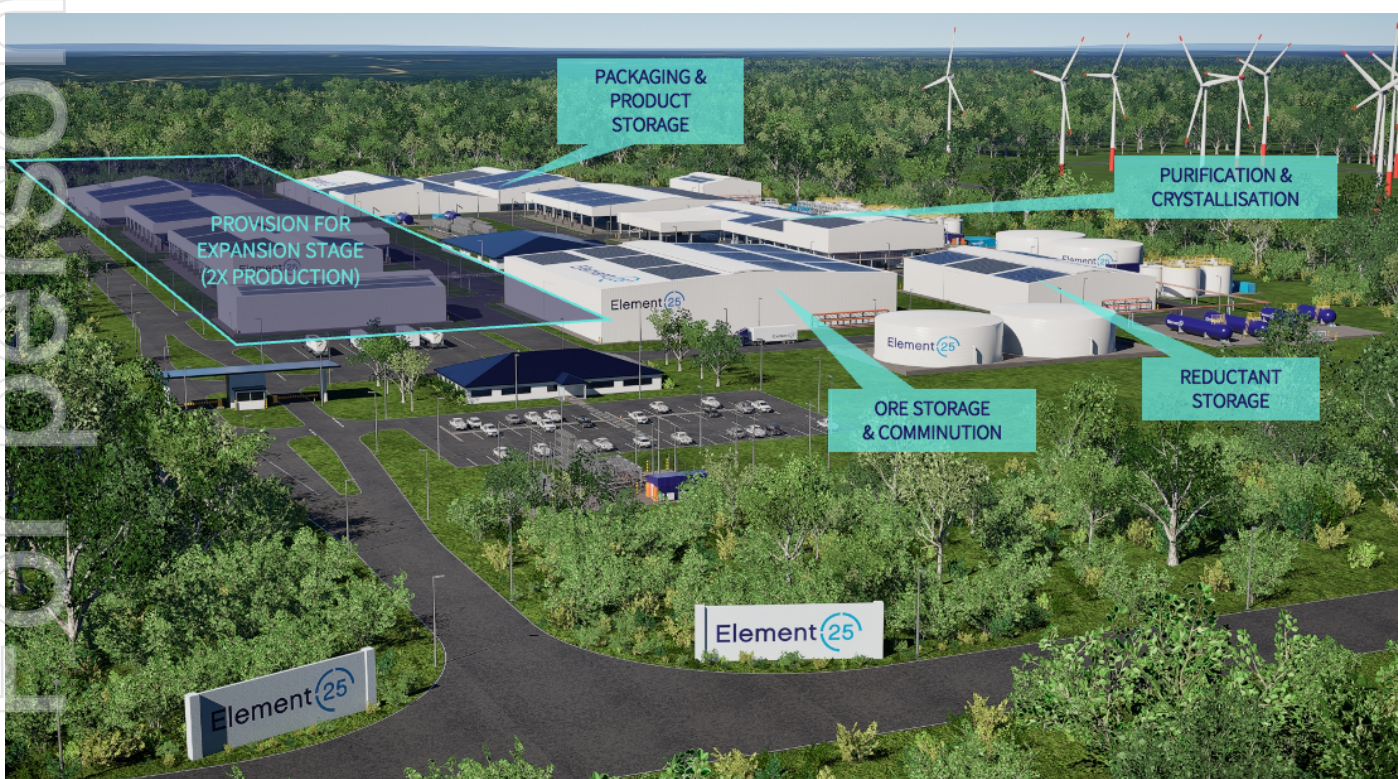


Figure 2. 3D representation of HPMSM plant build using latest site layout.

<sup>1</sup> Reference: ASX release dated 3 December 2020.

Important macro-economic and geopolitical influences support the business case for HPMSM production from an Australian manganese source including widespread efforts to electrify the global vehicle fleet, as well as supply chain ESG considerations which require more scrutiny on material provenance and a move towards diversifying the source of supply of critical minerals.

E25 is assessing several locations in line with its ambition to develop multiple processing locations to serve the rapidly expanding lithium-ion battery material markets in different geographic regions, with a short-term focus on Asia and North America.

### Offtake and Project Financing Agreement with Stellantis

E25 announced the signing of a binding agreement (**Agreement**) with **Stellantis N.V. (Stellantis)** to supply battery-grade high purity, manganese sulphate monohydrate (**HPMSM**) from E25's proposed Facility<sup>2</sup>.

The Agreement combines take or pay offtake commitments for 45Kt of HPMSM from the Facility over five years with Stellantis to also provide US\$30M in two tranches of project funding towards the facility capital cost.

Stellantis N.V. (NYSE / MTA / Euronext Paris: STLA) is one of the world's leading automakers and a mobility provider. Its storied and iconic brands embody the passion of their visionary founders and today's customers in their innovative products and services, including Abarth, Alfa Romeo, Chrysler, Citroën, Dodge, DS Automobiles, Fiat, Jeep®, Lancia, Maserati, Opel, Peugeot, Ram, Vauxhall, Free2move and Leasys.

### Flowsheet Development

#### Pilot Scale Test programmes

Purification test work has progressed in line with the originally defined plan and has produced some very high-quality liquor with very low levels of impurities which could potentially pave the way towards E25's production of a new product specification, termed ultra-high purity manganese sulphate monohydrate (UHPMSM).

Australian produced manganese sulphate liquor was shipped to North America for subsequent piloting and the results obtained during 24/7 continuous operation piloting runs have met expectations, in processability and quality, with no significant issues that could not be managed. Full test results are presently being analysed and additional and confirmatory assays are being concluded. Liquors produced are currently undergoing continuous crystallisation testing, aiming to confirm the engineering data for the proposed crystallisation

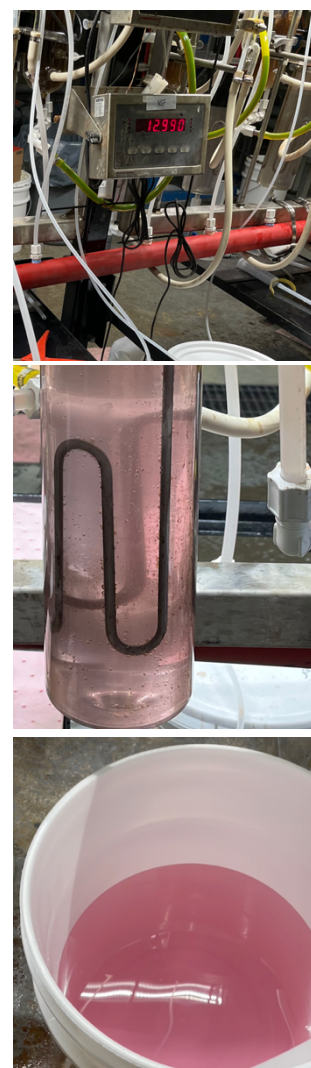


Figure 3. Pilot scale HPMSM tests.

<sup>2</sup> More detail on the agreement is available in the ASX announcement dated 9 January 2023

and separation equipment. This testing program is scheduled to be concluded during February 2023 and will also provide additional HPMSM samples to supplement the present inventory.

### Site Selection

As a result of the demand-pressure for a USA production location to satisfy potential customers' requirements under the United States Inflation Reduction Act (IRA), extensive detailed site search and identification activities were completed with the assistance of local and regional USA government agencies to short-list potential sites for further detailed evaluation. During November and December 2022, E25 representatives made several visits to the USA with a particular focus on site evaluation. E25 have engaged local consultants with specialist experience in site selection to assist with this process. The information acquired to date regarding potential available sites is supporting a detailed site selection process to define an optimum site location. It is expected that a preferred USA base location will be confirmed in the near future to enable Worley to progress the USA-centric localisation of the engineering and design which was originally developed and proposed for Malaysia. The potential shift in focus from a Malaysian base-case to a USA base-case to align with our customers' requirements as communicated in recent discussions will result in a later completion date for the Feasibility Study which is now scheduled for Quarter 1 2023, subject to the finalisation of offtake and financing commitments with potential OEM partners. This change in the project FS schedule comes with potential benefits for the Project and for the Company, as a facility constructed in the USA will be ideally positioned to directly service USA markets and potentially take advantage of favourable aspects of the IRA and associated legislation with potential positive outcomes for the Company.

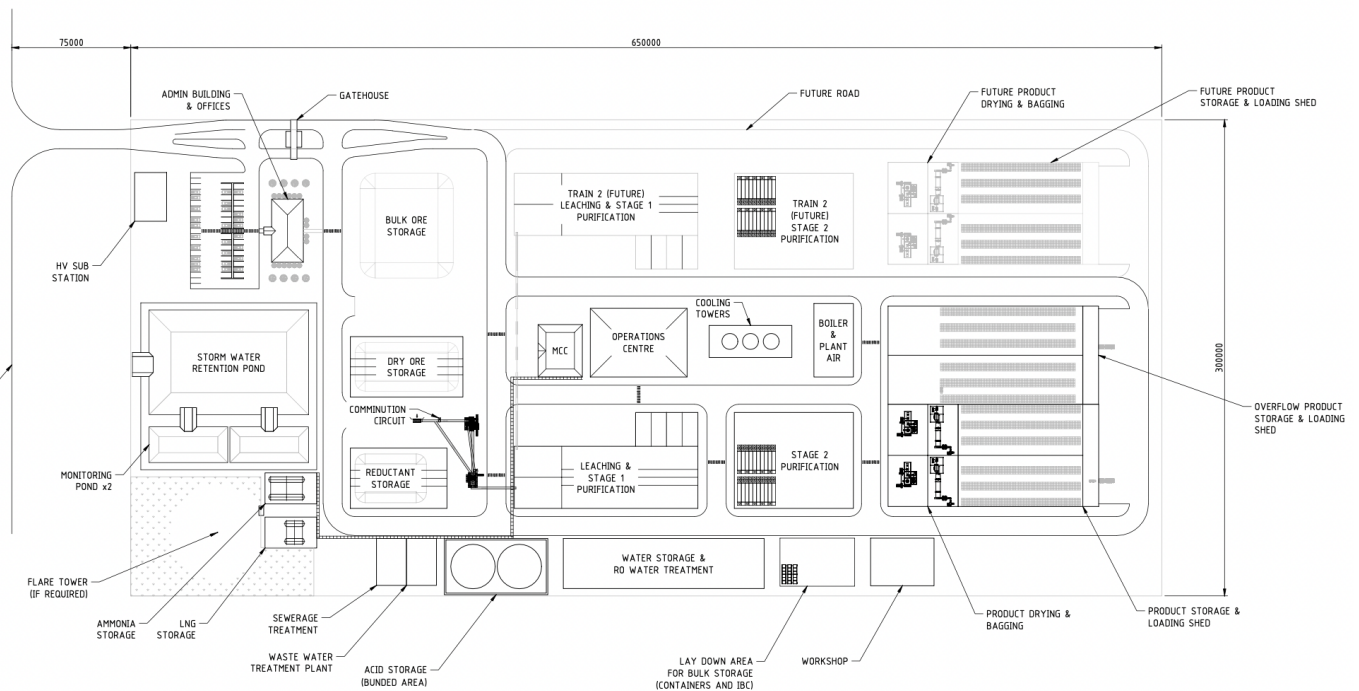


Figure 4. HPMSM processing facility layout including module 1 production capacity of 65,000tpa and expansion allowance for module 2 of an additional 65,000tpa battery grade HPMSM.

### Impact of the Inflation Reduction Act:

The United States Inflation Reduction Act passed in the USA Congress in August 2022, and will inject hundreds of billions of dollars into clean energy and Electric Vehicle (EV) incentives and programs. Multiple provisions of the IRA directly impact EV supply chains including the HPMSM used in the manufacture of EV batteries. Importantly, to qualify for certain incentives, a percentage of the value of applicable critical minerals contained in a vehicle's batteries must be extracted or processed in the US or in a country with which the US has a free trade agreement (FTA) (or must have been recycled in North America). Applicable percentages increase from 40 percent prior to 2024, to 80 percent after 2026. Also significantly, after calendar year 2024, the incentives will not be available for EVs that contain critical minerals that were "extracted, processed, or recycled by a foreign entity of concern". Importantly for E25 investors, qualifying FTA countries include Australia and qualifying critical minerals include manganese, placing the Project and the Company's HPMSM processing technology in an excellent position to supply US based EV market supply chains in coming years whilst allowing our partners to maintain eligibility for the incentives offered under the IRA scheme.

### Offtake/Financing Negotiations

The IRA caused a perceptible change in the appetite for North American produced battery materials including HPMSM. The Company has been engaged in constructive discussions for several months with several potential offtake partners in relation to the supply of HPMSM using the E25's process to satisfy potential growth in demand for HPMSM in lithium-ion battery cathodes for EVs.

## Corporate

### Successful A\$35 Million Placement

In November 2022, E25 received firm commitments for a A\$35 million placement at A\$1.12 per share (Placement). The Placement was heavily oversubscribed with E25 management and the Joint Lead Managers (JLM's) agreeing to increase the raise to A\$35 million (minimum \$30M). Funds raised from the Placement will fund the Company's battery grade HPMSM project feasibility works, operating cost reduction capital costs, engineering optimisation works and working capital. Petra Capital and Blackwood Capital acted as Joint Lead Managers and Joint Bookrunners to the Placement.

The Placement Price of A\$1.12 per share represented a 22.0% discount to the last traded price prior to the announcement of the Placement and a 13.1% discount to the 10 traded day VWAP of the Company's shares to 15 November 2022. E25 issued a total of 31,250,000 new shares in connection with the Placement on 23 November 2022 (15,948,964 under ASX Listing Rule 7.1 and 15,301,036 under ASX Listing Rule 7.1A).

### Investment Portfolio (as at 31 December 2022)

In addition to cash reserves, the Company also currently holds securities in the following listed entities:

| Listed securities at market value: | No. Held  |
|------------------------------------|-----------|
| Anova Metals Ltd (ASX:AWV)         | 7,000,000 |
| Buxton Resources Ltd (ASX:BUX)     | 356,001   |
| Duketon Mining (ASX:DKM)           | 1,450,000 |
| Danakali Limited (ASX:DNK)         | 3,301,331 |

### Results of Annual General Meeting

The Company’s Annual General Meeting was held on 25 November 2022. All resolutions were carried by poll.

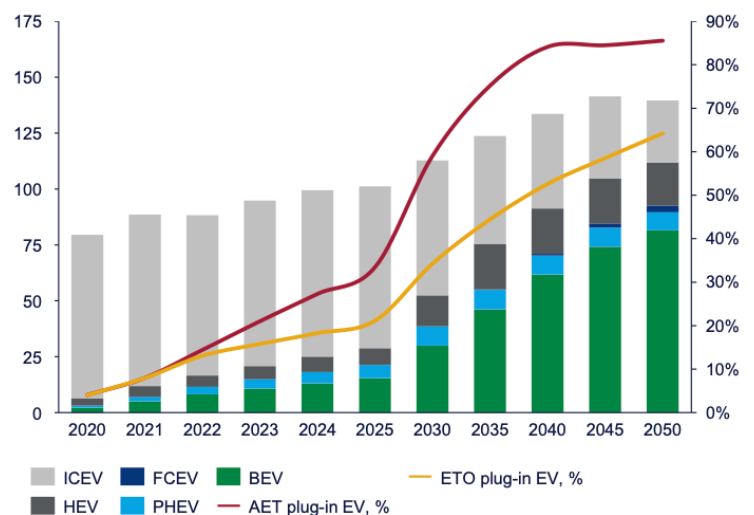
### Element 25 Team Strategy

- E25’s Operations team continues to focus on delivering sustained nameplate production as well as on the Stage 2 expansion of the concentrate business. This work is being undertaken in parallel with the Battery Materials division to deliver the Stage 3 development of a conversion facility to convert the concentrate material into HPMSM for EV batteries to power the global transition away from fossil fuel powered mobility.

Manganese is emerging as an increasingly important ingredient for EV batteries, with potential supply constraints for nickel and cobalt forcing battery manufacturers to look to high manganese cathodes to produce the vast amount of cathode material required by the EV industry in coming years<sup>3</sup>.

In western markets, battery makers are looking to manganese rich cathode chemistries to help solve the supply chain bottleneck for cathode materials. Adding **manganese** to the popular LFP formula is also becoming more widely adopted, as it increases the voltage and energy density of the battery cells, hence **LMFP** (an LFP cathode with around 25% elemental manganese<sup>4</sup> is becoming an important option for some battery suppliers.<sup>5</sup>

Automotive sales by powertrain, M units



Source: Wood Mackenzie

<sup>3</sup> <https://thenextavenue.com/2021/01/22/svolt-opens-orders-for-its-nmx-nickel-manganese-batteries/>

<sup>4</sup> <https://pushevs.com/2022/07/12/catl-will-soon-mass-produce-lmfp-batteries/>

<sup>5</sup> <https://electrek.co/2022/07/22/catl-m3p-batteries/>

The Project is ideally placed to feed this potential demand, with **advanced flowsheet development** work undertaken in 2019 and 2020 confirming a simple leach process for E25 ores which, when combined with offsets, will target the world's first **Zero Carbon Manganese** for EV cathode manufacture<sup>6</sup>.

The Company released a Scoping Study (**Study**) in January 2022<sup>7</sup> to update the market prior to the release of the Feasibility Study which is currently being completed.

### Battery EV Penetration Rate Forecast to Increase

As battery electric vehicle (BEV) makers seek to increase the uptake of electric vehicles, one commercial driver is cost reduction. VW's Power Day suggested a 50% cost reduction for batteries with cell design (-15%), production process (-10%), **cathode/anode materials (-20%)** and battery systems (-5%) driving the change. Global BEV penetration is expected to rise to 15.2% by 2025 and 39.5% in 2030 – led by Europe and China, according to Morgan Stanley's latest report<sup>8</sup>. The main driver in the cathode materials is a shift to a high manganese cathode material for the volume production, which is expected to underpin strong demand growth for battery-grade manganese sulphate. Current estimates put demand by 2030 at 13 times current supply and a deficit of 1.3Mt even factoring in planned supply increases<sup>9</sup>.

### ESG in Focus

Meeting future battery raw material supply requirements from operations which meet tightening ESG requirements will be challenging. Few jurisdictions offer low ESG risk opportunities, however many Australia is one of the jurisdictions that satisfies



ESG and geopolitical concerns. Element 25 is working towards a zero carbon future by undertaking an initial baseline carbon survey on its current operations and is in the process of completing a life cycle assessment of its planned HPMSM operations which will be an important source of supply of manganese for electric vehicle batteries.

Element 25 is currently completing a Life Cycle Assessment of the proposed HPMSM processing plant to be located in the USA. This report is expected to be available in the first quarter of calendar 2023.

### About the Butcherbird Manganese Project

E25's Butcherbird Manganese Project is a world-class manganese resource with current JORC resources of more than 260Mt of manganese ore<sup>10</sup>. The Project straddles the Great Northern Highway and the Goldfields Gas Pipeline, providing turnkey logistics and energy solutions. The Company plans to integrate renewable energy into the power solution over time to target a

<sup>6</sup> Reference: Company ASX release dated 12 February 2019

<sup>7</sup> Reference: Company ASX release dated 18 January 2022

<sup>8</sup> Morgan Stanley Research published 3 September 2021

<sup>9</sup> Euromanganese company presentation dated September 2021

<sup>10</sup> Reference: Company ASX release dated 17 April 2019.



zero-carbon footprint for the Project, which is expected to also reduce energy costs. A cleaner, lower carbon flowsheet and high penetration renewable energy will place Butcherbird at the forefront of sustainable high purity manganese production.

## Mineral Resources

| Category     | Tonnes (Mt) | Mn (%)      | Si (%)      | Fe (%)      | Al (%)     |
|--------------|-------------|-------------|-------------|-------------|------------|
| Measured     | 16          | 11.6        | 20.6        | 11.7        | 5.7        |
| Indicated    | 41          | 10.0        | 20.9        | 11.0        | 5.8        |
| Inferred     | 206         | 9.8         | 20.8        | 11.4        | 5.9        |
| <b>Total</b> | <b>263</b>  | <b>10.0</b> | <b>20.8</b> | <b>11.4</b> | <b>5.9</b> |

Notes:

- Reported at a 7% Mn cut-off for the Measured and Indicated categories and an 8% Mn cut-off for the Inferred categories.
- All figures rounded to reflect the appropriate level of confidence (apparent differences may occur due to rounding)

## Mining Reserve

- Based on the results of the Pre-Feasibility Study completed in May 2020, E25 has published a Maiden Ore Reserve for the Project of 50.55Mt in the Proved and Probable categories<sup>11</sup>.

| Classification | Tonnes (Mt) | Grade (Mn%) | Contained Mn (Mt) | Recovered Mn (Mt) |
|----------------|-------------|-------------|-------------------|-------------------|
| Proved         | 14.4        | 11.5        | 1.65              | 1.35              |
| Probable       | 36.2        | 9.8         | 3.56              | 2.92              |
| <b>Total</b>   | <b>50.6</b> | <b>10.3</b> | <b>5.21</b>       | <b>4.27</b>       |

## About Element 25

Element 25 is an ASX listed company (ASX: E25) operating the world class 100%-owned Butcherbird Manganese Project in Western Australia and developing high purity manganese sulphate monohydrate (HPMSM) products for traditional and new energy markets. It aims to become an industry leading, world class, low-carbon battery materials manufacturer.

Company information, ASX announcements, investor presentations, corporate videos, and other investor material in the Company's projects can be viewed at: [www.element25.com.au](http://www.element25.com.au).

Justin Brown

**Managing Director**

Email: [admin@e25.com.au](mailto:admin@e25.com.au)

Phone: +61 (8) 6375 2525

**Media Inquiries:**

Nathan Ryan

Email: [nathan.ryan@nwrcommunications.com.au](mailto:nathan.ryan@nwrcommunications.com.au)

Phone: +61 (0) 420 582 887

<sup>11</sup> Reference: Element 25 Limited Reserve Statement lodged with ASX 19 May 2020.

## ASX Additional Information

### Appendix 5B Quarterly Report and Statement of Cash Flows

The ASX Appendix 5B quarterly report covering the three month period ending 31 December 2022 is attached and lodged with this report.

### Payments to Related Parties and their Associates

In accordance with ASX Listing Rule 5.3.5, payments to related parties of the Company and their associates during the quarter totalled \$102,000 comprising salary, directors' fees, consulting fees and superannuation.

### Mining Exploration Activities

In accordance with ASX Listing Rule 5.3.1, payments relating to Mining Exploration totalled \$29,000 with no substantive mining exploration activities during the quarter.

## Competent Persons Statement

The company confirms that in the case of estimates of Mineral Resource or Ore Reserves, all material assumptions and technical parameters underpinning the estimates in the market announcements dated 17 April 2019 and 19 May 2020 continue to apply and have not materially changed. The company confirms that the form and context in which the competent person's findings are presented has not been materially modified from the original market announcements.

The information in this report that relates to Exploration Results and Exploration Targets is based on information compiled by Mr Justin Brown who is a member of the Australasian Institute of Mining and Metallurgy. At the time that the Exploration Results and Exploration Targets were compiled, Mr Brown was an employee of Element 25 Limited. Mr Brown is a geologist and 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 Brown consents to the inclusion of this information in the form and context in which it appears in this report.

This announcement is authorised for market release by Element 25 Limited's Board of Directors.

Element 25 Limited

ASX Additional Information for Quarterly Report to 31 December 2022

|  | Tenement reference | Location              | Interest at beginning of quarter | Acquired/ Disposed | Interest at end of quarter |
|--|--------------------|-----------------------|----------------------------------|--------------------|----------------------------|
| The mining tenements held at the end of the quarter and their location | E20/659            | Eelya Hill WA         | 10%                              | N/A                | 10%                        |
|  | E28/2577           | Pinnacles WA          | 100%                             | N/A                | 100%                       |
|  | E28/2761           | Flanker South WA      | 100%                             | N/A                | 100%                       |
|  | E46/1366           | Black Hill WA         | 100%                             | N/A                | 100%                       |
|  | E52/1529           | Mt Padbury WA         | 100% (Note 1)                    | N/A                | 100% (Note 1)              |
|  | E52/2350           | Butcher Bird WA       | 100%                             | N/A                | 100%                       |
|  | E52/3606           | Yanneri Bore WA       | 100%                             | N/A                | 100%                       |
|  | E52/3706           | Yanneri Pool WA       | 100%                             | N/A                | 100%                       |
|  | E52/3735           | Limestone Bore WA     | 100%                             | N/A                | 100%                       |
|  | E52/3769           | Kumarina WA           | 100%                             | N/A                | 100%                       |
|  | E52/3779           | Beyondie Bluff WA     | 100%                             | N/A                | 100%                       |
|  | E52/3858           | Yanneri Well WA       | 100%                             | N/A                | 100%                       |
|  | E52/4022           | Corner Bore WA        | 100%                             | N/A                | 100%                       |
|  | E52/4055           | Weelarrana WA         | 100%                             | N/A                | 100%                       |
|  | E52/4064           | Neds Gap WA           | 100%                             | N/A                | 100%                       |
|  | E52/4149           | Neds Gap WA           | 100%                             | N/A                | 100%                       |
|  | E52/4153           | Yanneri Well WA       | 100%                             | N/A                | 100%                       |
|  | E52/4155           | Weelarrana WA         | 100%                             | N/A                | 100%                       |
|  | L52/211            | Limestone Bore WA     | 100%                             | N/A                | 100%                       |
|  | L52/215            | Butcherbird East 1 WA | 100%                             | N/A                | 100%                       |
|  | L52/216            | Butcherbird East 2 WA | 100%                             | N/A                | 100%                       |
|  | L52/217            | Butcherbird East 3 WA | 100%                             | N/A                | 100%                       |
|  | L52/218            | Butcherbird East 4 WA | 100%                             | N/A                | 100%                       |
|  | L52/220            | Butcherbird East 5 WA | 100%                             | N/A                | 100%                       |
|  | L52/221            | Butcherbird East 6 WA | 100%                             | N/A                | 100%                       |
|  | L52/225            | Butcherbird East 7 WA | 100%                             | N/A                | 100%                       |
|  | M52/1074           | Yaneri Ridge WA       | 100%                             | N/A                | 100%                       |
|  | E57/1060           | Victory Well WA       | 20%                              | N/A                | 20%                        |
| E63/2027   | Lake Johnston WA   | 100%                  | N/A                              | 100%               |                            |

Notes:

- 1) 100% interest held in all minerals other than iron ore and manganese.

## Appendix 5B

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

Name of entity

|                           |
|---------------------------|
| <b>Element 25 Limited</b> |
|---------------------------|

ABN

|                |
|----------------|
| 46 119 711 929 |
|----------------|

Quarter ended ("current quarter")

|                  |
|------------------|
| 31 December 2022 |
|------------------|

| Consolidated statement of cash flows                                 | Current quarter<br>\$A'000 | Year to date<br>(6 months)<br>\$A'000 |
|--|----------------------------|---------------------------------------|
| <b>1. Cash flows from operating activities</b>                       |                            |                                       |
| 1.1 Receipts from customers  | 308                        | 13,539                                |
| 1.2 Payments for   |                            |                                       |
| (a) exploration & evaluation   | (29)                       | (72)                                  |
| (b) development  | (344)                      | (344)                                 |
| (c) production   | (9,216)                    | (19,785)                              |
| (d) staff costs  | (1,424)                    | (2,923)                               |
| (e) administration and corporate costs                               | (304)                      | (736)                                 |
| 1.3 Dividends received (see note 3)                                  | -                          | -                                     |
| 1.4 Interest received  | 4                          | 5                                     |
| 1.5 Interest and other costs of finance paid                         | (12)                       | (24)                                  |
| 1.6 Income taxes paid  | -                          | -                                     |
| 1.7 Government grants and tax incentives                             | -                          | 212                                   |
| 1.8 Other – Payment for HPMSM development                            | (863)                      | (1,463)                               |
| 1.8 Other - Movement of cash previously classified as non-restricted | 142                        | 150                                   |
| <b>1.9 Net cash from / (used in) operating activities</b>            | <b>(11,738)</b>            | <b>(11,441)</b>                       |
| <b>2. Cash flows from investing activities</b>                       |                            |                                       |
| 2.1 Payments to acquire or for:                                      |                            |                                       |
| (a) entities   | -                          | -                                     |
| (b) tenements  | -                          | -                                     |
| (c) property, plant and equipment                                    | (188)                      | (403)                                 |
| (d) exploration & evaluation   | -                          | -                                     |
| (e) investments  | -                          | -                                     |

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

| Consolidated statement of cash flows                      | Current quarter<br>\$A'000 | Year to date<br>(6 months)<br>\$A'000 |
|---|----------------------------|---------------------------------------|
| (f) other non-current assets                              | -                          | -                                     |
| 2.2 Proceeds from the disposal of:                        |                            |                                       |
| (a) entities  | -                          | -                                     |
| (b) tenements   | -                          | -                                     |
| (c) property, plant and equipment                         | -                          | -                                     |
| (d) investments   | 1,065                      | 1,065                                 |
| (e) other non-current assets                              | 30                         | 30                                    |
| 2.3 Cash flows from loans to other entities               | -                          | -                                     |
| 2.4 Dividends received (see note 3)                       | -                          | -                                     |
| 2.5 Other (provide details if material)                   | -                          | -                                     |
| <b>2.6 Net cash from / (used in) investing activities</b> | <b>907</b>                 | <b>692</b>                            |

|   |               |               |
|---|---------------|---------------|
| <b>3. Cash flows from financing activities</b>  |               |               |
| 3.1 Proceeds from issues of equity securities (excluding convertible debt securities)       | 35,000        | 35,000        |
| 3.2 Proceeds from issue of convertible debt securities                                      | -             | -             |
| 3.3 Proceeds from exercise of options   | 523           | 523           |
| 3.4 Transaction costs related to issues of equity securities or convertible debt securities | (1,754)       | (1,754)       |
| 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 (lease payments)  | (100)         | (192)         |
| <b>3.10 Net cash from / (used in) financing activities</b>                                  | <b>33,669</b> | <b>33,577</b> |

|   |          |          |
|---|----------|----------|
| <b>4. Net increase / (decrease) in cash and cash equivalents for the period</b> |          |          |
| 4.1 Cash and cash equivalents at beginning of period                            | 15,076   | 14,928   |
| 4.2 Net cash from / (used in) operating activities (item 1.9 above)             | (11,738) | (11,441) |
| 4.3 Net cash from / (used in) investing activities (item 2.6 above)             | 907      | 692      |
| 4.4 Net cash from / (used in) financing activities (item 3.10 above)            | 33,669   | 33,577   |

For personal use only

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

| <b>Consolidated statement of cash flows</b> |   | <b>Current quarter<br/>\$A'000</b> | <b>Year to date<br/>(6 months)<br/>\$A'000</b> |
|---|---|------------------------------------|--|
| 4.5   | Effect of movement in exchange rates on cash held | (563)                              | (405)  |
| <b>4.6</b>                                  | <b>Cash and cash equivalents at end of period</b> | <b>37,351</b>                      | <b>37,351</b>                                  |

| <b>5.</b>  | <b>Reconciliation of cash and cash equivalents</b><br>at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | <b>Current quarter<br/>\$A'000</b> | <b>Previous quarter<br/>\$A'000</b> |
|------------|---|------------------------------------|-------------------------------------|
| 5.1        | Bank balances   | 37,351                             | 15,076                              |
| 5.2        | Call deposits   | -                                  | -                                   |
| 5.3        | Bank overdrafts   | -                                  | -                                   |
| 5.4        | Other (provide details)   | -                                  | -                                   |
| <b>5.5</b> | <b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>  | <b>37,351*</b>                     | <b>15,076</b>                       |

\* Excludes 31 December 2022 market value of listed equity investments of \$2,082,679 and Sales Receipts of \$3,133,344 received in January 2023.

| <b>6.</b> | <b>Payments to related parties of the entity and their associates</b>                   | <b>Current quarter<br/>\$A'000</b> |
|-----------|---|------------------------------------|
| 6.1       | Aggregate amount of payments to related parties and their associates included in item 1 | 102                                |
| 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.*

For personal use only

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

| 7.  | <b>Financing facilities</b>   | <b>Total facility<br/>amount at quarter<br/>end<br/>\$A'000</b> | <b>Amount drawn at<br/>quarter end<br/>\$A'000</b> |
|-----|---|---|--|
|     | <i>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.</i>   |   |  |
| 7.1 | Loan facilities   | -   | -  |
| 7.2 | Credit standby arrangements   | -   | -  |
| 7.3 | Other (please specify)  | -   | -  |
| 7.4 | <b>Total financing facilities</b>   | -   | -  |
| 7.5 | <b>Unused financing facilities available at quarter end</b>   |   | -  |
| 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. |   |  |
|     | N/A   |   |  |

| 8.    | <b>Estimated cash available for future operating activities</b>   | <b>\$A'000</b> |
|-------|---|----------------|
| 8.1   | Net cash from / (used in) operating activities (item 1.9)   | (11,738)       |
| 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)  | (11,738)       |
| 8.4   | Cash and cash equivalents at quarter end (item 4.6)   | 37,351         |
| 8.5   | Unused finance facilities available at quarter end (item 7.5)   | -              |
| 8.6   | Total available funding (item 8.4 + item 8.5)   | 37,351         |
| 8.7   | <b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>   | 3.18           |
|       | <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?   |                |
|       | 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?                    |                |
|       | 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?

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: 31 January 2023

*'Signed electronically'*

Authorised by: Board of Directors  
(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.
6. By the Company lodging this Appendix 5B, the Managing Director and CFO declare that the Appendix 5B for the relevant quarter:
  - presents a true and fair view, in all material respects, of the cashflows of the Company for the relevant quarter and is in accordance with relevant accounting standards;
  - the statement given above is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board; and
  - the Company's financial records have been properly maintained and the Company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.