

ASX ANNOUNCEMENT

27 OCTOBER 2023

QUARTERLY ACTIVITIES REPORT

Period ending 30 September 2023

HIGHLIGHTS

Proposed merger with Technology Metals Australia

- Australian Vanadium Limited (ASX: AVL, the Company or AVL) and Technology Metals Australia Limited (ASX: TMT) have agreed to merge via a proposed Scheme of Arrangement, under which AVL will acquire 100% of the TMT shares on issue.
- The combination of AVL and TMT will create a leading Australian vanadium developer through the consolidation of two adjoining projects across one orebody.
- If the Scheme is approved and implemented, existing AVL shareholders will hold ~62% of the combined group and existing TMT shareholders will hold ~38% of the combined group.
- The merger is intended to be completed by February 2024.

Australian Vanadium Project

- The Company continues to progress activities to develop the Australian Vanadium Project.
- A water licence for the proposed processing plant at Tenindewa was approved.
- A new option agreement to purchase land for the proposed processing plant site was signed.
- Access agreements for haulage road and water pipeline route were signed.

Vanadium in energy storage

- Construction of AVL's vanadium electrolyte manufacturing facility commenced and is on track for completion this calendar year.
- Regional energy provider Horizon Power purchased its first vanadium flow battery from AVL's wholly owned subsidiary, VSUN Energy Pty Ltd.

Corporate

- No lost time injuries or reportable environmental incidents were recorded during the quarter.
- Successful completion of a \$15.7 million institutional placement concurrently announced with the proposed merger between AVL and TMT.
- Cash position of \$32.5 million as at 30 September 2023, including restricted cash of \$0.4 million and proceeds from the institutional placement.

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Management Comment

CEO, Graham Arvidson comments, *“The last quarter has been particularly busy for AVL from both a project and corporate perspective. We announced the proposed combination of Australian Vanadium and Technology Metals Australia which, if successful, would be transformational for both companies and the wider Australian vanadium landscape. The companies recognise that the consolidation of AVL and TMT’s adjoining projects with a contiguous orebody provides a unique opportunity for the combined group to realise material operational and corporate synergies which will be advantageous for both sets of shareholders. An integration team consisting of members of AVL and TMT has been formed to assess the optimal development and processing pathway and the transaction will create the leading ASX listed vanadium developer and a world-class asset of scale, located in a tier-1 mining jurisdiction.*

In conjunction with the proposed merger, AVL completed a \$15.7 million institutional placement and we were pleased with the strong support shown from both existing and new institutional investors, including major shareholder Resource Capital Funds. The support highlights the growing investor interest in the vanadium sector, with AVL well positioned to benefit from the clean energy transition and ongoing electrification of energy supplies requiring storage solutions. The placement ensures that the combined group will be well-funded to progress its integration strategy, as well as its go-forward development.

During the quarter we also announced commencement of construction of AVL’s first vanadium electrolyte facility. AVL aims to become a trusted supplier of vanadium electrolyte within Australia and the electrolyte plant provides an ideal opportunity for the Company to test and further mature its systems and processes that will ultimately underpin the larger Australian Vanadium Project. We look forward to providing further updates to shareholders as activities progress.”

Activities for the quarter ended 30 September 2023 for the Company are as follows:

MERGER WITH TECHNOLOGY METALS AUSTRALIA

On 25 September 2023, AVL and TMT announced a proposed merger under which AVL will acquire 100% of the shares in TMT via a Scheme of Arrangement (Scheme).¹

If the Scheme is approved, TMT’s shareholders will receive 12.00 AVL shares for every TMT share held on the Scheme record date. This implies an offer price of A\$0.300 per TMT share based on AVL’s last close price of A\$0.025 per share on 26 October 2023, representing a premium of 28% to

¹ See ASX announcement dated 25 September 2023 ‘AVL and TMT agree A\$217 million Merger’

TMT's last close price of A\$0.235 per share on 26 October 2023.

If the Scheme is implemented, existing AVL shareholders will hold ~62% of the combined group and existing TMT Shareholders will hold ~38% of the combined group.

The Scheme is unanimously recommended by the TMT board and each director of TMT has indicated their intention to vote all TMT shares they control in favour of the Scheme, in the absence of a superior proposal and subject to an independent expert opinion (and continuing to opine) that the Scheme is in the best interests of the TMT shareholders.

The transaction provides a unique opportunity to realise tangible benefits including:

- realising synergies through a single integrated project;
- creating a leading Australian vanadium developer with a pro-forma market capitalisation of ~A\$202 million;²
- increased scale will improve ability to raise equity finance and secure project financing and improve access to government, export credit agencies and private sector financing;
- increased market relevance and liquidity and a strong balance sheet to position the combined group strongly for the next phase of development activities;
- opportunity to leverage compelling market fundamentals and improved investor sentiment; and
- the combination of industry leading expertise across both AVL and TMT provides the combined group with the right skillset to drive future value creation.

Following the announcement of the proposed merger, AVL and TMT have established an integration working group, led by Graham Arvidson (AVL CEO) and Ian Prentice (TMT MD), and combined the technical expertise of both AVL and TMT to assess the optimal development and processing pathway for the combined orebody. This group has commenced activities, with the purpose of assessing available project enhancement opportunities and optimal development strategy.

The Scheme remains subject to TMT shareholder approval, as well as satisfaction of various conditions as previously announced,¹ but the Company anticipates the proposed transaction will be implemented by February 2024.

Well known mining investor, Resource Capital Funds VII LP (RCF), has indicated its support for the combined group, validating the high-quality of the integrated assets and will hold ~18.2% of the combined group following Scheme implementation. RCF has confirmed, subject to certain conditions, its intention to vote its shareholding in TMT in favour of the Scheme.¹ Additional TMT shareholders have confirmed their intention to vote their shares in favour of the Scheme.³

² Pro forma market capitalisation based on AVL's last close price of A\$0.025 per share on 26 October 2023. Pro forma shares on issue includes AVL's ordinary shares on issue of ~4,969m, TMT's fully diluted shares on issue of ~258m (converted to AVL shares at the merger exchange ratio of 12.00x) and ~11.05m additional AVL shares issued to TMT's Class E option holders as part of the Scheme.

³ See ASX announcement dated 26 September 2023 'TMT: Additional TMT Shareholders Support Proposed Merger with Australian Vanadium'

A Scheme booklet containing notice of the Scheme meeting and information in relation to the Scheme, including the basis for the TMT board's unanimous recommendation, an independent expert's report and details of the Scheme, is expected to be circulated to all TMT shareholders in December 2023. AVL shareholders do not need to take action with respect to the Scheme.

For further information about the proposed merger, please refer to AVL's ASX announcement¹ and investor presentation.⁴

THE AUSTRALIAN VANADIUM PROJECT

During the quarter the Company continued to progress activities aimed at developing the Australian Vanadium Project (Project) which is located approximately 43km south of Meekatharra in Western Australia. AVL and the traditional owners, the Yugunga-Nya People, continued their engagement, exploring and further defining the basis for forming an enduring partnership.



Figure 1 - Australian Vanadium Project location and strategic processing hub concept

Water Licence Approval for Processing Plant

The Company received approval for a water licence to extract groundwater for its proposed vanadium processing plant for the Project at Tenindewa, 60km east of Geraldton in Western Australia.

The licence was awarded under section 5C of the *Rights in Water and Irrigation Act 1914* (WA) by

⁴ See ASX announcement dated 25 September 2023 'Merger Presentation'

the Western Australian Department of Water and Environmental Regulation. The licence entitles AVL to extract 1.2GL of water per annum to use for industrial processing purposes at the site. The licence is initially granted for 10 years, after which it is expected that a standard renewal process will be followed to retain the licence.⁵

New Option Agreement Signed for Vanadium Processing Plant Land

AVL signed a new option agreement with the landowner of the proposed location for the processing plant at Tenindewa.⁶

The agreement relates to an area of 1,334 acres, with a purchase price of \$4,000 per acre, reflecting current market prices in the region. The purchase price is payable in either cash or shares in the Company, or a combination, at the landowner's election. The number of AVL shares to be issued, if any, will be determined by using the 5-day VWAP immediately preceding the date of payment.

VANADIUM IN ENERGY STORAGE

Vanadium electrolyte manufacturing facility construction underway

AVL was awarded a \$3.69 million Federal Government grant in 2021,⁷ with the majority of the funding allocated to building and operating a commercial vanadium electrolyte manufacturing facility in Western Australia to support the commercialisation of vanadium flow batteries (VFBs).

Construction of the Company's vanadium electrolyte facility in Western Australia has commenced, with Primero Group (a subsidiary of NRW Holdings, ASX: NWH), appointed as engineering, procurement and construction contractor to undertake construction of the facility.⁸

Construction is on track for completion this calendar year, with costs expected to be within budget. AVL aims to produce vanadium electrolyte for commercial use in VFBs and is progressing discussions on offtake agreements.

Until production of vanadium oxides from AVL's processing plant commences, vanadium oxide feedstock for the electrolyte facility will be sourced from US Vanadium LLC and other sources.

⁵ See ASX announcement dated 31 July 2023 'Water Licence Approval for Processing Plant at Tenindewa'

⁶ See ASX announcement dated 7 September 2023 'New Option Agreement Signed – Vanadium Processing Plant Land'

⁷ See ASX announcement dated 21 July 2021 'AVL Awarded \$3.69M Federal Government Manufacturing Grant'

⁸ See ASX announcement dated 14 August 2023 'Construction of Vanadium Electrolyte Facility Underway'



Figure 2 - AVL and TMT staff at AVL's vanadium electrolyte manufacturing facility. Pictured L-R: Brett Morgan (TMT), Todd Richardson (AVL), Ian Prentice (TMT), Graham Arvidson (AVL), Simon Rough (AVL), David English (TMT) and Flormirza Cabalteja (AVL)

Horizon Power VFB purchase for Kununurra

AVL's wholly owned subsidiary, VSUN Energy Pty Ltd, signed an agreement with Western Australia's regional energy provider, Horizon Power, for the purchase, installation and commissioning of a VFB for a long duration energy storage pilot in regional Western Australia.⁹

The 220kWh VFB is being sourced from leading global VFB manufacturer Invinity Energy Systems plc, which is listed on the London Stock Exchange's AIM market (AIM: IES).

The use of long lasting, safe, stable and commercialised long duration energy storage, in the form of VFBs, has the potential to assist Horizon Power to accelerate decarbonisation of its energy network, which covers 2.3 million square kilometres. It is intended that the VFB will be used for Horizon Power's long duration energy storage pilot in Kununurra, with the aim to increase understanding of how this technology can provide long periods of 100% renewable energy supply in regional and remote energy systems across Western Australia.

⁹ See ASX announcement dated 28 July 2023 'Horizon Power Purchases VFB for Long Duration Storage Pilot'

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The battery is due to arrive in Fremantle by the end of 2023 and factory acceptance testing is intended to commence in January 2024.

Coates and Nowthanna Hill Project Update

AVL has received notification that the option agreement the Company entered into with Mining Green Metals (MG1)¹⁰ for it to acquire a 100% interest in the Coates and Nowthanna Hill projects will not be exercised and the proposed listing of MG1 on the ASX will not proceed. MG1 will refund all application monies in full (without interest).

AVL will continue to consider all options to maximise shareholder value for the Coates Nickel-Copper-PGE and Nowthanna Hill Uranium projects.

CORPORATE

\$15.7 million Institutional Placement Completed

AVL successfully completed an institutional placement of new fully paid ordinary shares to raise approximately \$15.7 million.¹¹ The placement was strongly supported by RCF, in addition to other institutional investors. Approximately 603 million new shares were issued under the placement, at an issue price of \$0.026 per new share, representing a 3.7% discount to the previous day closing price (22 September 2023). Proceeds from the placement will be applied to support initiatives involved with the integration strategy associated with the announced planned merger between AVL and TMT, fund ongoing Project and corporate initiatives, general working capital and transaction costs.

Cash and Expenditure

The Company's consolidated cash was \$32.5 million as at 30 September 2023 (30 June 2023: \$27.2 million), including restricted cash of \$0.4 million and proceeds from the institutional placement.

The majority of the \$2 million exploration and evaluation expenditure capitalised during the quarter was spent on activities to advance the Project.

No production and development activities were undertaken during the quarter.

Retirement of Managing Director, Vincent Algar

Managing Director, Vincent Algar, retired from the Board of the Company on 14 July 2023.¹² Under Mr Algar's leadership the Project was successfully progressed through the exploration and study

¹⁰ See ASX announcement dated 11 May 2022 'Sale of Coates Nickel-Copper-PGE and Nowthanna Hill Uranium Projects'

¹¹ See ASX announcement dated 26 September 2023 'Australian Vanadium Successfully Completes A\$15.7 Million Institutional Placement'

¹² See ASX announcement dated 3 July 2023 'Retirement of Managing Director'

phases. He was instrumental in building a team which contains the skills and expertise for the construction and operation of the Project.

Related Party Payments

The aggregate amount of payments to related parties and their associates included in the current quarter cash flows from operating activities were \$548,000. This comprised Directors' fees, salaries and superannuation (including the payment of entitlements relating to the retirement of Mr Algar).

For further information, please contact:

Graham Arvidson, CEO

+61 8 9321 5594

This announcement has been produced in accordance with the Company's published continuous disclosure policy and has been approved by the Board.

MINERAL RESOURCE

Table 1 The Australian Vanadium Project Mineral Resource Estimate as at November 2021 by Domain and Resource Classification¹³

| Zone | Category | Mt | V ₂ O ₅ % | Fe % | TiO ₂ % | SiO ₂ % | Al ₂ O ₃ % | LOI % |
|-------------|-----------------|--------------|---------------------------------|-------------|--------------------|--------------------|----------------------------------|------------|
| HG | Measured | 11.3 | 1.14 | 43.8 | 13.0 | 9.2 | 7.5 | 3.7 |
| | Indicated | 27.5 | 1.10 | 45.4 | 12.5 | 8.5 | 6.5 | 2.9 |
| | Inferred | 56.8 | 1.04 | 44.6 | 11.9 | 9.4 | 6.9 | 3.3 |
| | Subtotal | 95.6 | 1.07 | 44.7 | 12.2 | 9.1 | 6.8 | 3.2 |
| LG | Indicated | 54.9 | 0.50 | 24.9 | 6.8 | 27.6 | 17.1 | 7.9 |
| | Inferred | 73.6 | 0.48 | 25.0 | 6.4 | 28.7 | 15.4 | 6.6 |
| | Subtotal | 128.5 | 0.49 | 24.9 | 6.6 | 28.2 | 16.1 | 7.2 |
| Transported | Inferred | 14.9 | 0.66 | 29.0 | 7.8 | 24.5 | 15.1 | 7.8 |
| | Subtotal | 14.9 | 0.66 | 29.0 | 7.8 | 24.5 | 15.1 | 7.8 |
| Total | Measured | 11.3 | 1.14 | 43.8 | 13.0 | 9.2 | 7.5 | 3.7 |
| | Indicated | 82.4 | 0.70 | 31.7 | 8.7 | 21.2 | 13.5 | 6.2 |
| | Inferred | 145.3 | 0.71 | 33.0 | 8.7 | 20.7 | 12.0 | 5.4 |
| | Subtotal | 239.0 | 0.73 | 33.1 | 8.9 | 20.4 | 12.3 | 5.6 |

Table 2 The Australian Vanadium Project - Ore Reserve Statement as at April 2022, at a cut-off grade of 0.7% V₂O₅

| Ore Reserve | Mt | V ₂ O ₅ % | Fe% | TiO ₂ % | SiO ₂ % | LOI% | V ₂ O ₅ production kt | Ore Reserve | Mt |
|------------------|-------------|---------------------------------|-------------|--------------------|--------------------|------------|---|----------------|-------|
| Proved | 10.5 | 1.11 | 61.6 | 12.8 | 9.5 | 3.7 | 70.9 | Waste | 238.5 |
| Probable | 20.4 | 1.07 | 63.4 | 12.2 | 9.2 | 3.0 | 152.9 | Total Material | 269.4 |
| Total Ore | 30.9 | 1.09 | 62.8 | 12.4 | 9.3 | 3.2 | 223.8 | Strip Ratio | 7.7 |

¹³ Using a nominal 0.4% V₂O₅ wireframed cut-off for low grade and nominal 0.7% V₂O₅ wireframed cut-off for high grade (total numbers may not add up due to rounding).

Table 3 Tenement Schedule

Tenement information as required by Listing Rule 5.3.3 for the quarter ended 30 September 2023

| Location | Project | Tenements | Economic Interest | Notes | Change in Quarter % |
|-------------------|---------------------------------|---------------------|---------------------------------|----------------------------------|---------------------|
| Western Australia | The Australian Vanadium Project | E 51/843 | 100% Granted ¹ | | Nil |
| | | E 51/1534 | 100% Granted ¹ | | Nil |
| | | E 51/1899 | 100% Granted | | Nil |
| | | E 51/1943 | 100% Granted | | Nil |
| | | E 51/1944 | 100% Granted | | Nil |
| | | E 51/2067 | | 100% on Application | Nil |
| | | L 51/116 | | 100% on Application | Nil |
| | | L 51/119 | | 100% on Application | Nil |
| | | L 51/130 | | 100% on Application | Nil |
| | | L 51/131 | | 100% on Application | Nil |
| | | L51/132 | | 100% on Application | 100% |
| | | L51/133 | | 100% on Application | 100% |
| | | M 51/878 | 100% Granted ¹ | | Nil |
| | | M 51/897 | | 100% on Application ¹ | Nil |
| | | P 51/3073 | 100% Granted | | Nil |
| | | P 51/3074 | 100% Granted | | Nil |
| | | P 51/3075 | 100% Granted | | Nil |
| | | P 51/3076 | 100% Granted | | Nil |
| P 51/3248 | | 100% on Application | Nil | | |
| P 51/3298 | | 100% on Application | Nil | | |
| Western Australia | Nowthanna Hill | M 51/771 | 100% Granted | | Nil |
| Western Australia | Peak Hill | E 52/3349 | 0.75% NSR Production Royalty | | Nil |
| Western Australia | Tumblegum South | M 51/888 | 0.75% NSR Production Royalty | | Nil |
| Western Australia | Coates | E 70/4924-I | 100% Granted | | Nil |
| | | E 70/5588 | 100% Granted | | Nil |
| | | E 70/5589 | | 100% on Application | Nil |

Note 1: Australian Vanadium Limited retains 100% rights in V/U/Co/Cr/Ti/Li/Ta/Mn & iron ore on The Australian Vanadium Project. Bryah Resources Limited holds the Mineral Rights for all minerals except V/U/Co/Cr/Ti/Li/Ta/Mn & iron ore only.

ASX CHAPTER 5 COMPLIANCE AND CAUTIONARY AND FORWARD-LOOKING STATEMENTS

ASX Listing Rules 5.19 and 5.23

ASX Listing Rule 5.19

The information in this announcement relating to production targets, or forecast financial information derived from a production target, is extracted from the announcement entitled 'Bankable Feasibility Study for the Australian Vanadium Project' released to the ASX on 6th April 2022 which is available on the Company's website www.australianvanadium.com.au.

The Company confirms that all material assumptions underpinning the production target, or the forecast financial information derived from a production target, in the original market announcement continue to apply and have not materially changed.

ASX Listing Rule 5.23

The information in this announcement relating to exploration results and mineral resource and ore reserve estimates for the Australian Vanadium Project is extracted from the announcement entitled 'Bankable Feasibility Study for the Australian Vanadium Project' released to the ASX on 6th April 2022 which is available on the Company's website www.australianvanadium.com.au.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement, and that all material assumptions and technical parameters underpinning the estimates in the original market announcement 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 have not been materially modified from the original market announcement.

Forward-Looking Statements

This release may contain certain forward-looking statements with respect to matters including but not limited to the financial condition, results of operations and business of AVL and certain of the plans and objectives of AVL with respect to these items.

These forward-looking statements are not historical facts but rather are based on AVL's current expectations, estimates and projections about the industry in which AVL operates and its beliefs and assumptions.

Words such as "anticipates," "considers," "expects," "intends," "plans," "believes," "seeks," "estimates," "guidance" and similar expressions are intended to identify forward looking statements and should be considered an at-risk statement. Such statements are subject to certain risks and uncertainties, particularly those risks or uncertainties inherent in the industry in which AVL operates.

These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties, and other factors, some of which are beyond the control of AVL, are difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements. Such risks include, but are not limited to resource risk, metal price volatility, currency fluctuations, increased production costs and variances in ore grade or recovery rates from those assumed in mining plans, as well as political and operational risks in the countries and states in which we sell our product to, and government regulation and judicial outcomes. For more detailed discussion of such risks and other factors, see the Company's Annual Reports, as well as the Company's other filings.

AVL cautions shareholders and prospective shareholders not to place undue reliance on these forward-looking statements, which reflect the view of AVL only as of the date of this release.

The forward-looking statements made in this announcement relate only to events as of the date on which the statements are made.

AVL will not undertake any obligation to release publicly any revisions or updates to these forward-looking statements to reflect events, circumstances or unanticipated events occurring after the date of this announcement except as required by law or by any appropriate regulatory authority.

Appendix 5B

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

Name of entity

AUSTRALIAN VANADIUM LIMITED

ABN

90 116 221 740

Quarter ended ("current quarter")

30 SEPTEMBER 2023

| 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 | 65 | 65 |
| 1.2 Payments for | | |
| (a) exploration & evaluation | - | - |
| (b) development | - | - |
| (c) production | - | - |
| (d) staff costs | (1,588) | (1,588) |
| (e) administration and corporate costs | (3,783) | (3,783) |
| 1.3 Dividends received (see note 3) | - | - |
| 1.4 Interest received | 28 | 28 |
| 1.5 Interest and other costs of finance paid | - | - |
| 1.6 Income taxes paid | - | - |
| 1.7 Government grants and tax incentives | - | - |
| 1.8 Other | - | - |
| 1.9 Net cash from / (used in) operating activities | (5,278) | (5,278) |

| | | |
|--|---------|---------|
| 2. Cash flows from investing activities | | |
| 2.1 Payments to acquire or for: | | |
| (a) entities | - | - |
| (b) tenements | - | - |
| (c) property, plant and equipment | (2,722) | (2,722) |
| (d) exploration & evaluation | (1,989) | (1,989) |
| (e) investments | - | - |
| (f) other non-current assets | - | - |

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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 |
|--------------------------------------|---|----------------------------|---------------------------------------|
| 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 | (4,711) | (4,711) |
| 3. | Cash flows from financing activities | | |
| 3.1 | Proceeds from issues of equity securities (excluding convertible debt securities) | 15,671 | 15,671 |
| 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 | (388) | (388) |
| 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 (provide details if material) | - | - |
| 3.10 | Net cash from / (used in) financing activities | 15,283 | 15,283 |
| 4. | Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 | Cash and cash equivalents at beginning of period | 27,198 | 27,198 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (5,278) | (5,278) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | (4,711) | (4,711) |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | 15,283 | 15,283 |

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 | - | - |
| 4.6 | Cash and cash equivalents at end of period | 32,492 | 32,492 |

| 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 * | 32,103 | 24,836 |
| 5.2 | Call deposits | - | 2,038 |
| 5.3 | Bank overdrafts | - | - |
| 5.4 | Other (bank guarantee – restricted cash) | 389 | 324 |
| 5.5 | Cash and cash equivalents at end of quarter (should equal item 4.6 above) * Includes \$8.7M to be spent on eligible activities as outlined in the Modern Manufacturing Initiative Collaboration Grant Agreement. | 32,492 | 27,198 |

| 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 | 548 |
| 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> | | |

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

| 7. Financing facilities | Total facility amount at quarter end \$A'000 | Amount drawn at quarter end \$A'000 |
|---|---|--|
| <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> | | |
| <i>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 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) | (5,278) |
| 8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d)) | (1,989) |
| 8.3 Total relevant outgoings (item 8.1 + item 8.2) | (7,267) |
| 8.4 Cash and cash equivalents at quarter end (item 4.6) | 32,492 |
| 8.5 Unused finance facilities available at quarter end (item 7.5) | - |
| 8.6 Total available funding (item 8.4 + item 8.5) | 32,492 |
| 8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3) | 4.47 |
| <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 | |
| 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 | |
| <i>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.</i> | |

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: 27 October 2023

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.