

31 January 2024

Quarterly Activities Report for the 3 Months Ended 31 December 2023

Highlights

- During the quarter First Au Limited (“FAU”, “First Au” or “the Company”) completed a strategic review of its VicGold tenement holdings. This has resulted in the relinquishment and reduction of areas that FAU believes are not prospective. This will significantly reduce tenement expenditure requirements and allow the Company to focus expenditure on Haunted Stream and Snowstorm.
- Statutory endorsement was received from Earth Resources and Regulation for its work plan in relation to the proposed bulk sampling at the Snowstorm Gold Project
- FAU reached an agreement with Mines of Stirling Pty Ltd (“MoS”) to extend the option agreement to acquire Prospecting Licence 007319, which forms part of the Snowstorm project, for a further 12-months. FAU has paid consideration comprising \$20,000 in cash and 10,000,000 fully paid ordinary FAU shares to MoS. FAU can exercise the option to acquire PL 007319 at any time prior to expiry of the option agreement for a purchase price of \$250,000 cash. Exercise of the option will result in FAU acquiring 100% of PL 007319 (previously 85%).
- FAU successfully raised \$300,000 (before costs) through a private placement to strategic professional and sophisticated investors.

Review of Operations

Exploration Update – Victorian Gold Project

VicGold Strategic Review

During the quarter FAU completed a strategic review of its tenement holdings with the focus being on the evaluation and prospectivity assessment across all the Victorian Goldfields Projects with an emphasis on drill readiness and economic feasibility.

The results of the review have seen FAU implement a number of changes to its tenement holdings by relinquishing a number of tenements and reducing the size of a number of other tenement areas (Figure 1). The areas that have been relinquished and reduced are those deemed too difficult to access with drill rigs or have no sufficient evidence of geological prospectivity.

The reduction to FAU’s tenement holding position will significantly reduce the Company’s minimum expenditure requirements, as well as administrative expenses such as tenement rent and tenement management costs.

The changes will allow future expenditure to be focused on the priority areas around Haunted Stream and Snowstorm (while also retaining regional areas of interest and geological prospectivity). The following the results have been reported from drilling undertaken by FAU:

Haunted Stream^{1,2,3}

- 36.9m @ 1.61g/t Au from 40.7m
- 10m @ 3.05g/t Au from 93.7m
- 8m @ 3.45 g/t Au from 69m
- 12.9m @ 3.57 g/t Au, including 0.2m @ 36.88 g/t Au, from 38.3m

Snowstorm^{4,5,6,7}

- 3.1m @ 11.6 g/t Au from 53m, including 0.8m @ 33.3 g/t Au from 54m
- 1.2m @ 8.5 g/t Au, including 0.2m @ 49.3 g/t Au, from 63.6m
- 6.4m @ 4.1 g/t Au from 28.5, including 0.2m @ 59.2 g/t Au from 29.3m
- 3.6m @ 5.3 g/t Au from 60.9m, including 0.4m @ 23.8 g/t Au
- 4.8m (true width) @ 5.8 g/t Au from 62m, including 0.5m @ 16.15 g/t Au from 56.7m

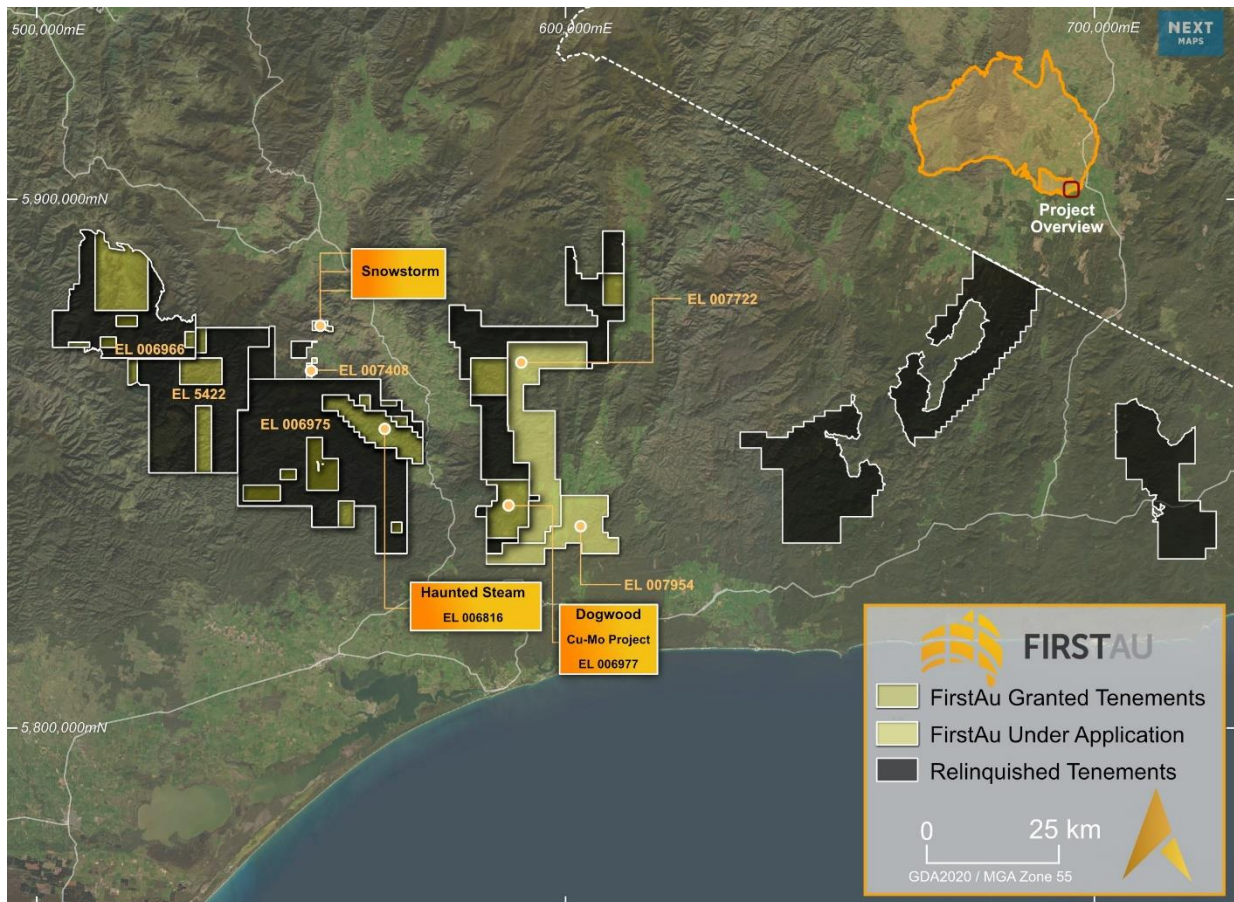


Figure 1. FAU VicGold Project tenement map showing indicative changes to tenement holdings pending final confirmation with Earth Resources and Regulation ("ERR")

Snowstorm

During the quarter, FAU announced that it had received statutory endorsement from Earth Resources and Regulation ("ERR") for its work plan in relation to the proposed underground bulk sampling at the Snowstorm Gold Project in East Gippsland, Victoria.

Statutory approval for the work plan is a major milestone in receiving final authorisation for FAU to proceed with the work plan. There were no further variations required.

As previously mentioned, the proposed underground bulk sampling will allow FAU to undertake more detailed mapping of the system at the Snowstorm Gold Project, which is anticipated to provide a better understanding of the grade and geological continuity of mineralisation. The main aim of the program is to further establish the potential economics of the Snowstorm Gold Project. An

additional benefit of the proposed program is that it will establish greater underground access for future exploration drilling to allow FAU to continue to build the scale of the project.

FAU is still working through the final stages of process which required a planning permit from the local council. FAU received acknowledgement of receipt of the planning permit application early in 2024. The statutory review period for the application is a maximum of 60 days. FAU is not expecting any major issues once preliminary assessment is received from the Council.

Further updates will be provided when further information is available.

Exploration Update – Gimlet Gold Project, WA

The Company is continuing to review options to monetise the Gimlet Gold project or undertake further works that will add value to the project.

Further works are expected to be undertaken in the first half of the year with updates provided for any material exploration results received.

Corporate Update

Snowstorm Option Agreement, Victorian Gold Project

During the quarter FAU announced that it had reached an agreement with Mines of Stirling (“MoS”) to extend the option agreement to acquire Prospecting Licence 007319, which forms part of the Snowstorm project, for a further 12-months.

Under the terms of the extension of the option, FAU has paid consideration comprising \$20,000 in cash and 10,000,000 fully paid ordinary FAU shares to MoS. FAU can exercise the option to acquire PL 007319 at any time prior to expiry of the option agreement for a purchase price of \$250,000 cash. Exercise of the option will result in FAU acquiring 100% of PL 007319 (previously 85%). As per the original option agreement, in the event that FAU exercises the option to acquire PL 007319, it will transfer 5% ownership of PL 007319 to Ian Neilson (or his nominees).

FAU has chosen to extend the option while the Company finalises the proposed work plan to undertake the proposed underground bulk sample.

See exploration update section for further details on the proposed bulk sample program.

Successful Completion of Funding Placement

On 1 December 2023 FAU announced that it had raised \$300,000 (before costs) through a private placement (Placement) to strategic professional and sophisticated investors.

The Company issued 200,000,000 new fully paid FAU Ordinary Shares at the issue price of A\$0.00151 (0.15 cents per share). The Placement Shares were issued without shareholder approval utilising the Company’s existing placement capacity pursuant to Listing Rule 7.1.

Use of funds raised from the share placement will be used for general working capital and assessing new project opportunities. There were no cash commissions arising from funds raised in the placement.

Company Update

The Company has now completed its review of ongoing costs and believes that it has reduced these to a level which provides the Company with operational efficiency and flexibility. The Board believes having operating flexibility will allow it to be agile and make business decisions that will prioritise creating shareholder value.

In addition to undertaking a review of its tenement holding position at its VicGold project, the company is also considering options for funding the project moving forward. There are a number of options available to the Company and further exploration and funding updates will be provided as they become available.

The Company has also been actively reviewing new projects during the quarter and will continue to do so on an ongoing basis. The Company is seeking to add new projects that it believes will create value for shareholders.

Authorised for release by the Board of Directors.

Enquiries in relation to this announcement please contact:

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About First Au Ltd:

First Au is a gold and base metals exploration company listed on the Australian Securities Exchange (ASX:FAU) and is pursuing exploration programs at its Victorian Goldfields Project in East Gippsland and the Gimlet Gold project near Kalgoorlie.

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

- 1. 13 June 2023, "Successful Drilling Intersects Extensive Near Surface Gold Bearing System (Amended)", Ian E Neilson, competent person.*
- 2. 3 August 2023, "Successful Drilling Intersects 36.9m @ 1.61 g/t Au", Ian E Neilson, competent person.*
- 3. 31 August 2023, "Haunted Stream, Victoria Delivers Further Outstanding Drilling Results", Ian E Neilson, competent person.*
- 4. 7 April 2021, "Early Drill Results Positive at Snowstorm", Dr Gavin England, competent person.*
- 5. 10 June 2021, "Snowstorm Drilling Intersects Mineralised Dyke Swarm", Dr Gavin England, competent person.*
- 6. 14 January 2022, "Further High-Grade Drilling Results at Snowstorm Project, Victoria", Dr Gavin England, competent person.*
- 7. 1 April 2022, "Successful Drilling Completed at Snowstorm Project, Victoria", Ian E Neilson, competent person.*

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement. The Company confirms that the form and context of the respective competent persons' findings in relation to those reports have not been materially modified from the original market announcement.

Appendix A: Tenement Schedule - as at 31 December 2023

Tenement #	Note	Tenement name	Title Holder	Tenement Ownership	State	Acquired during the Quarter	Disposed during the Quarter
E26/174	-	Gimlet	FAU	FAU 100%	WA	-	-
M26/849	-	Gimlet	FAU	FAU 100%	WA	-	-
PL007319	1	Snow Storm	Mines of Stirling Pty Ltd	Mines of Stirling 100%	VIC	-	-
EL006816	-	Haunted Stream	Jacquian Pty Ltd	FAU 80% Jacquian 20%	VIC	-	-
EL006975	-	Haunted Stream Extension	Victorian Goldfields Pty Ltd	FAU 80% VicGold 20%	VIC	-	-
EL006976	-	Dargo High Plains	Victorian Goldfields Pty Ltd	FAU 80% VicGold 20%	VIC	-	-
EL006977	-	Dogwood	Victorian Goldfields Pty Ltd	FAU 80% VicGold 20%	VIC	-	-
EL007335	-	Snowstorm Extension	Victorian Goldfields Pty Ltd	FAU 80% VicGold 20%	VIC	-	-
EL007442	-	Barmouth	Victorian Goldfields Pty Ltd	FAU 80% VicGold 20%	VIC	-	Surrendered
EL007446	-	True Blue	Victorian Goldfields Pty Ltd	FAU 80% VicGold 20%	VIC	-	Surrendered
EL007473	-	Mount Jack	Victorian Goldfields Pty Ltd	FAU 80% VicGold 20%	VIC	-	Surrendered
EL007474	-	Bendoc	Victorian Goldfields Pty Ltd	FAU 80% VicGold 20%	VIC	-	Surrendered
EL007527	-	Highland Chief	Victorian Goldfields Pty Ltd	FAU 80% VicGold 20%	VIC	-	Surrendered
EL5422	-	Dargo	Victorian Goldfields Pty Ltd	FAU 80% VicGold 20%	VIC	-	-

Note 1: A Deed of Variation was signed by FAU and Mines of Stirling Pty Ltd on 21 November 2023 extending the option term by a further 12 months from the anniversary date and replacing 85% with 100% interest in the tenement on payment of the purchase price of \$250,000, for consideration of \$20,000 cash and \$20,000 FAU shares at a deemed price of \$0.002 per share.

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

Aggregate amount of payments to related parties and their associates excluding GST included in item 6.1 of Appendix 5B for the quarter ended 31 December 2023:

Comprising:

	\$A'000
Managing Director & CEO Services	46
Appendix 5B – item 6.1 Total	46

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Appendix 5B

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

Name of entity

FIRST AU LIMITED (ASX: FAU)

ABN

65 000 332 918

Quarter ended ("current quarter")

31 December 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers-share trading	133	154
1.2 Payments for		
(a) exploration & evaluation	(172)	(1,250)
(b) development	-	-
(c) production	-	-
(d) staff costs	(46)	(206)
(e) administration and corporate costs	(91)	(449)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	5
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other - Fee paid to PG Exploration Pty Ltd. Refer Announcements dated 13 February 2023 and 28 April 2023	-	(88)
1.8 Other-GST Refund	7	170
1.9 Net cash from / (used in) operating activities	(168)	(1,664)

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 (12 months) \$A'000
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenement	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation	-	-
(e) investments	-	-
(f) other non-current assets	-	-
2.2 Proceeds from the disposal of:		
(a) entities	-	-
(b) tenements	-	-
Sale of Mabel Creek tenements. Refer ASX Announcement 30 January 2023 and 13 June 2023	-	200
Sale of Talga tenements. Refer Announcement 11 September 2023	-	200
Cash consideration paid to Mines of Stirling Pty Ltd for variation to Deed of Option	(20)	(20)
(c) property, plant and equipment – sale of motor vehicle	-	75
(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: GST received on proceeds	-	28
2.6 Net cash from / (used in) investing activities	(20)	483

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	300	1,800
Proceeds from issue of options	-	-
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	-	-
3.4 Transaction costs related to issues of equity securities & options or convertible debt securities	-	(92)
3.5 Proceeds from borrowings	-	25

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 (12 months) \$A'000
3.6	Repayment of borrowings: Premium funding	(7)	(46)
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	293	1,687

4.	Net increase / (decrease) in cash and cash equivalents for the period	105	506
4.1	Cash and cash equivalents at beginning of period	498	97
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(168)	(1,664)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(20)	483
4.4	Net cash from / (used in) financing activities (item 3.10 above)	293	1,687
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	603	603

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	603	603
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	603	603

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

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 (excl GST)	46
6.2	Aggregate amount of payments to related parties and their associates included in item 21 December	-

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.

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. 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	Not Applicable	
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities		\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(168)
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)	(168)
8.4	Cash and cash equivalents at quarter end (item 4.6)	603
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	603
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	3.59

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.

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

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:

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:

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:

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 2024

Authorised by the Board

(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.