

31 July 2023

June 2023 Quarterly Activities Report

HIGHLIGHTS

EARAHEEDY (LSR – 100%) – Base Metals, Gold

- 5,386m aircore drilling programme completed targeting base metal and gold anomalies following heritage survey¹
- Maiden drilling programme has returned significant gold intersections in the Earaaheedy Project for the first time by any explorer
- Encouraging drill hits included intersections of >0.2 g/t Au in three of the seven targets drilled to date - these three targets are spread over an area at least 5km x 3km in size
- Best intersections to date included²:
 - *7m @ 1.03 g/t Au from 36m (EOH) in LEA0008 and*
 - *8m @ 0.95 g/t Au from 56m in LEA0021*
 - *inc. 4m @ 1.69 g/t Au from 52m*
- Copper (Cu) and multi-element assays are pending and expected in August
- Follow up RC drilling is being planned for depth and strike extensions - soil sampling programme comprising 2,200 samples underway
- Acquisition of Tripod Resources Pty Ltd that owns two granted tenements (E69/3882 & E69/3883)³ and one other granted tenement (E69/3824)¹ along with applications for three additional tenements increases Lodestar's total Earaaheedy Project footprint area to 1,420km²

KANGAROO HILLS LITHIUM PROJECT (LSR - 20%) - Lithium

- Drilling continues to expand scale, delivering consistent high-grade lithium results
- Phase 2 RC Drilling returned more standout down-hole results including⁴:
 - **23m @ 1.03% Li₂O** from 53m (KHRC031)
 - **15m @ 1.03% Li₂O** from 39m (KHRC029)
 - **13m @ 1.23% Li₂O** from 41m (KHRC030)
 - **29m @ 1.36% Li₂O** from 38m (KHRC011)
 - **27m @ 1.32% Li₂O** from 64m (KHRC017)
 - **19m @ 1.03% Li₂O** from 42m (KHRC015)

¹ Refer to Lodestar Announcement 10 June 2023 (ASX:LSR)

² Refer to Lodestar Announcement 17 June 2023 (ASX:LSR)

³ Refer to Lodestar Announcement 28 April 2023 (ASX:LSR)

⁴ Refer to Future Battery Minerals Announcement 22 June 2023 (ASX:FBM)

- **Diamond drilling (DD) component of the Phase 2 exploration drilling also returned high-grade lithium (Li) assay results including⁵:**
 - **23m @ 1.19% Li₂O** from 44m (KHDD001)
 - **10m @ 1.30% Li₂O from 25m** (KHDD002); and
 - **5.9m @ 1.15% Li₂O from 0m** (KHDD007)

NEPEAN NICKEL PROJECT (LSR-20%) – Nickel

- **Sale of Nepean Nickel project for \$10 million in Cash⁶**

Lodestar Minerals Limited (“**LSR**” or “**the Company**”) (ASX:LSR) is pleased to provide its Quarterly Activities Report for the period ended June 20 2023.

Management Commentary:

Commenting on exploration activity completed during the June quarter, Lodestar Managing Director Ed Turner said: *“The June quarter was a significant period for Lodestar, highlighted by the commencement of our maiden drilling programme at our flagship Earraheedy Project, which has already yielded some very encouraging outcomes. First pass drilling at Earraheedy has highlighted the clear potential for both base metal and gold mineralisation, so we are eager to further test our suite of priority targets in the near-term.*

On the lithium front, exciting progress continues to be made by our JV partners Future Battery Metals at the rapidly emerging Kangaroo Hills Lithium Project in WA. Drilling continues to expand the scale of the project, delivering consistent shallow, thick, high-grade lithium intersections.

Lodestar remains committed to unlocking further value this quarter through our systematic exploration, including the commencement of RC drilling at Earraheedy to follow-up the positive outcomes from recently completed aircore drilling. We look forward to providing regular updates over the coming weeks.”

⁵ Refer to Future Battery Minerals Announcement 18 July 2023 (ASX:FBM)

⁶ Refer to Future Battery Minerals Announcement 15 June 2023 (ASX:FBM)

EARAHEEDY PROJECT (Lodestar – 100%, Base Metals, Gold)

The Earahedy Project is located approximately 200km north of Wiluna on the opposite side of the Earahedy Basin to Rumble Resources Chinook base metal discovery (Figure 1).

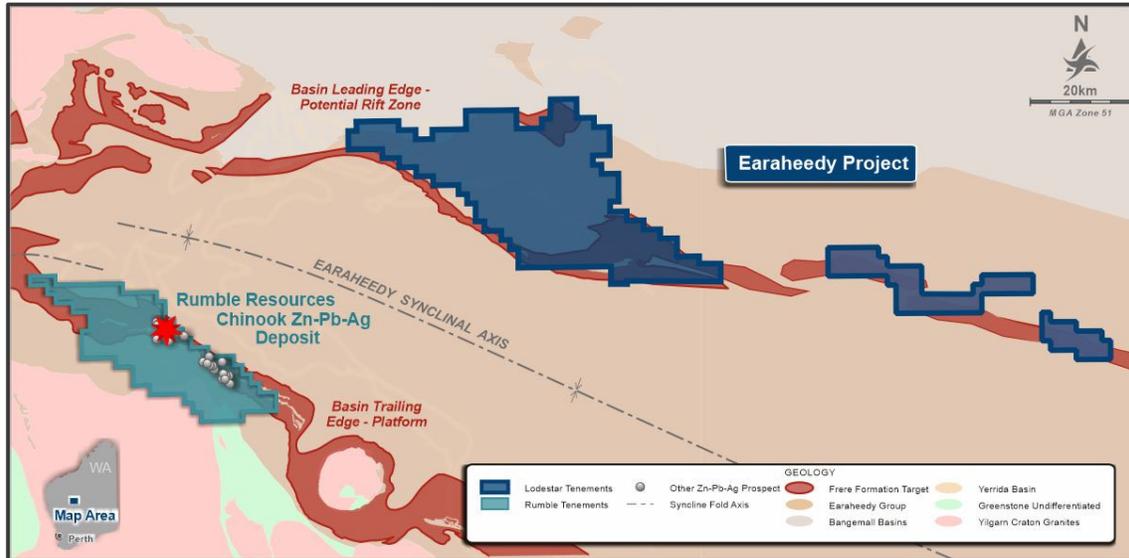


Figure 1: Lodestar's Earahedy Project tenements

Lodestar's maiden aircore drilling programme was completed in June. Seven targets were tested with 99 holes comprising 5,386m (Figures 2-4). targets were defined by both electromagnetic (EM) anomalies and soil geochemistry anomalies using ultrafine (UFF+) multi-element assaying methods developed by the CSIRO who also analysed and interpreted the assay data for LSR.

The drilling intersected dolerite sills within the sedimentary sequence of rocks at several locations within the seven targets. Mafic volcanic rocks can be an important ingredient in VMS style copper-gold mineralised systems as a source of copper, similar to the DeGrussa Copper Deposit which is located in the neighbouring Bryah Basin.

Significant gold intersections have been returned from three of the seven targets. This is the first-time gold has been intersected within the Project by any exploration company. All copper and multi-element assays are pending.

The best intersections included **7m @ 1.03 g/t Au** from 36m in LEA0008 (to EOH) (Figure 5), **8m @ 0.95 g/t Au** from 56m in LEA0021 (*inc. 4m @ 1.69 g/t Au from 56m*), **20m @ 0.2 g/t Au** from 32m in LEA0022 and **7m @ 0.2 g/t Au** from 40m (to EOH) in LEA0047.

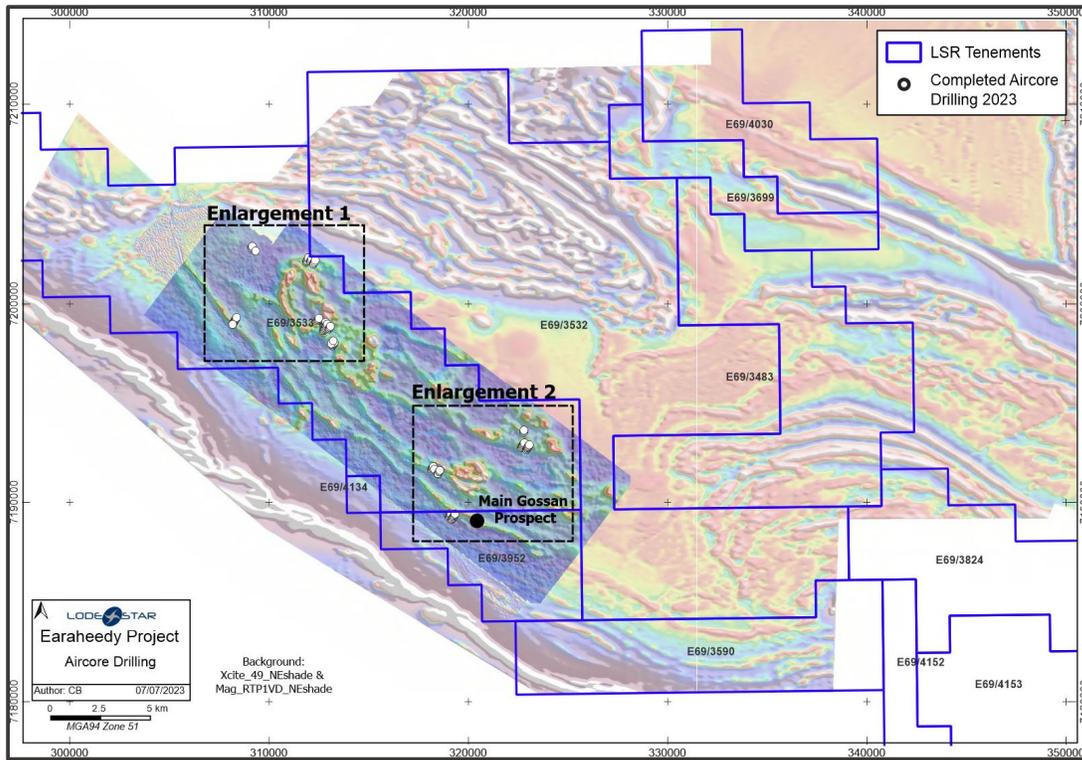


Figure 2: Drill hole location plan in relation to LSR Tenure on aeromagnetics background.

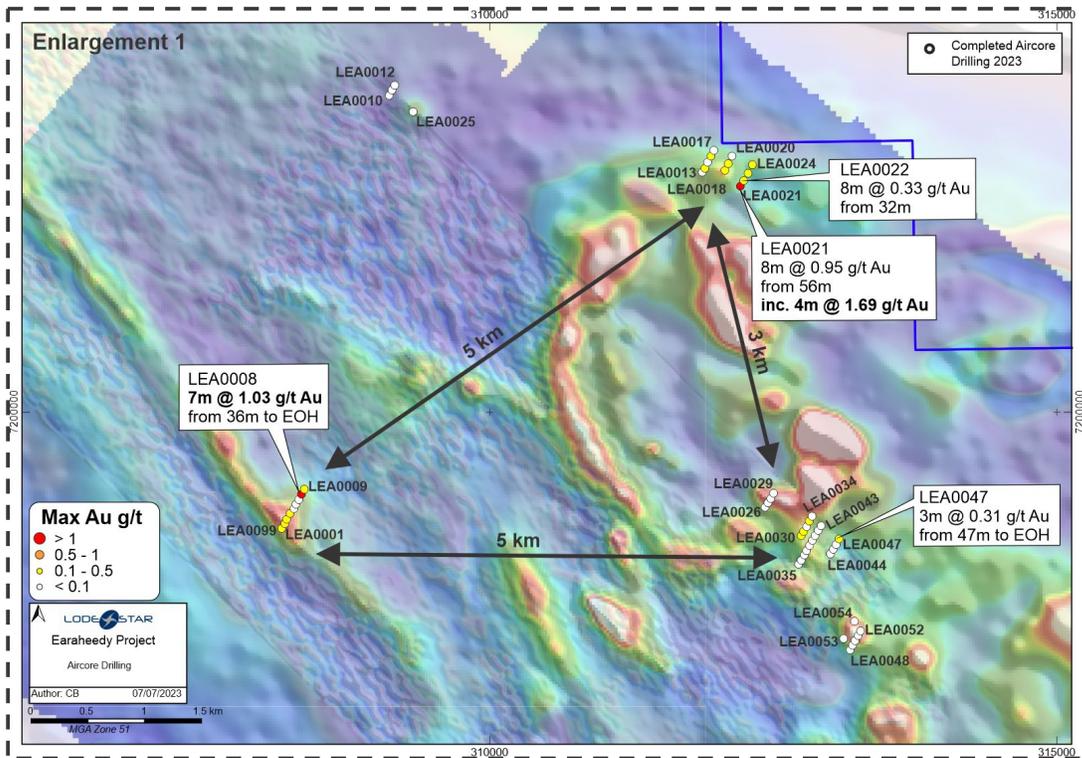


Figure 3: Northern Area of the Aircore drilling (Enlargement 1)

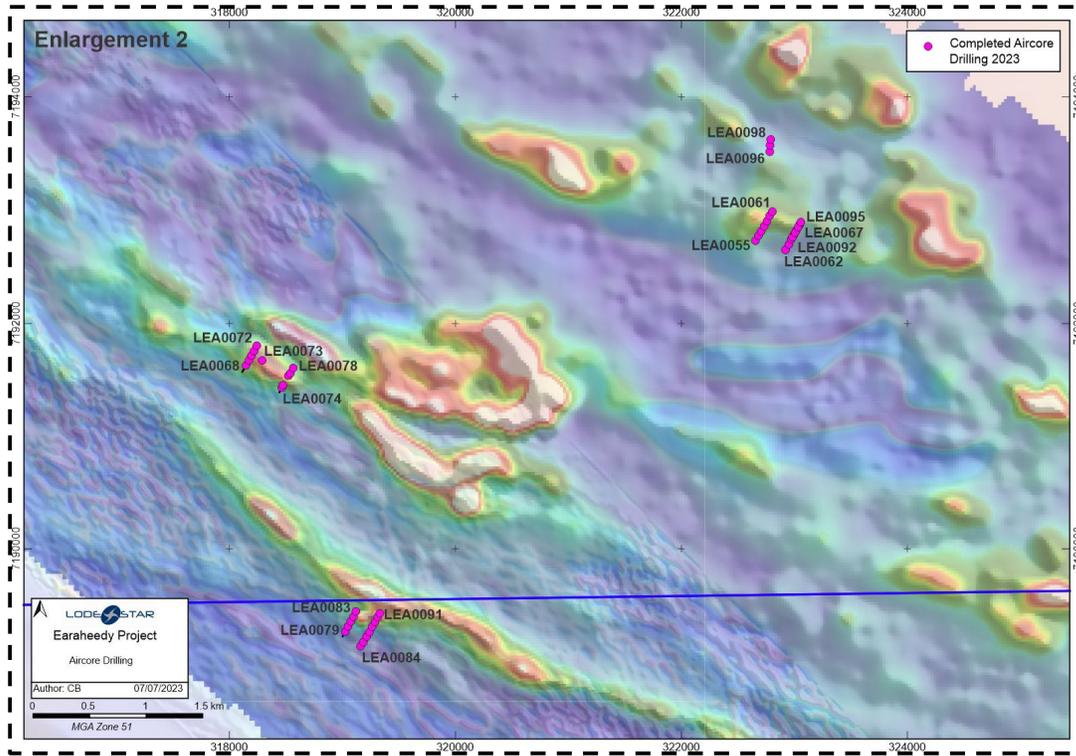


Figure 4: Southern Area of the Aircore drilling (Enlargement 2)

The cross sections below (Figures 5 & 6) are across the two main gold target areas showing the spread of the significant gold results through the aircore holes. The spread of the anomaly is highly significant and show the excellent potential for gold mineralisation. The geology has shown the presence of quartz veining and brecciated sediments associated or close to the gold intercepts. The definition of these quartz veins will require additional drilling.

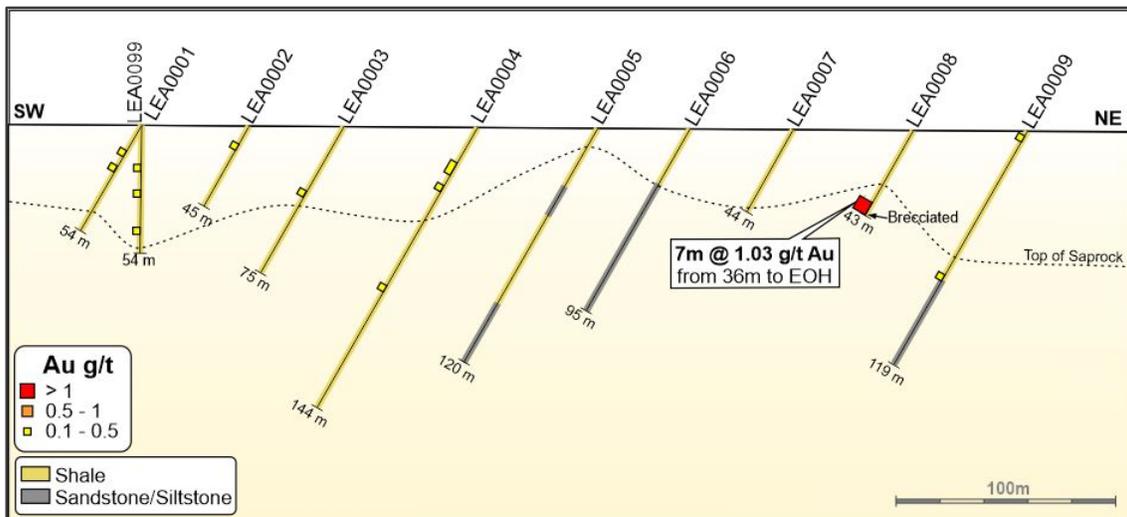


Figure 5: Cross Section LEA0001 – LEA0009 + LEA0099

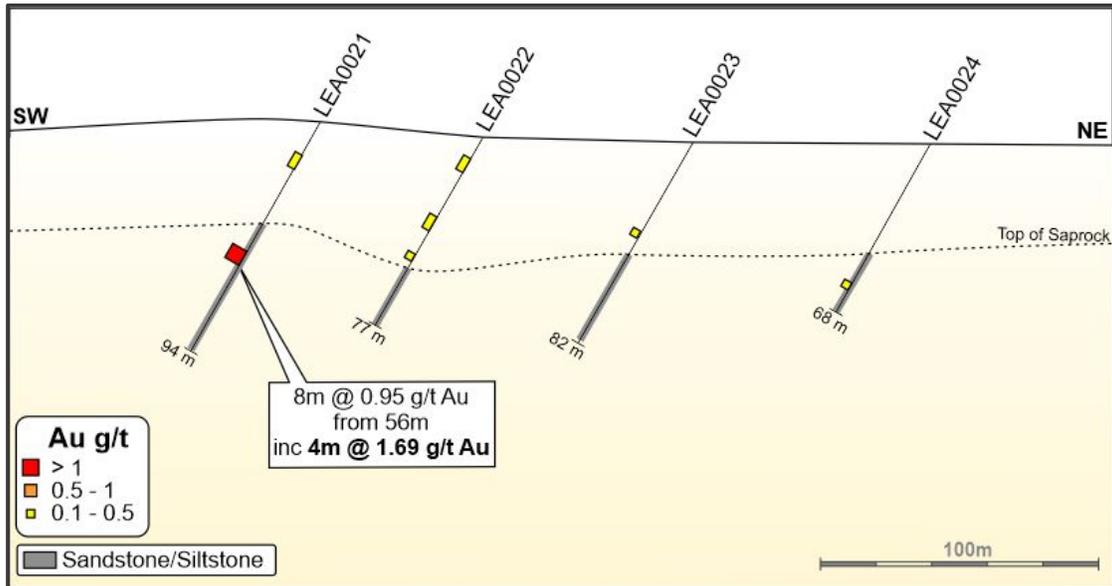


Figure 6: Cross Section LEA0021 – LEA0024

All gold assays have been received for the 99 holes comprising 5,386m. Significant gold intersections are included in Table 1. Samples are 4m composites unless the hole finished at an uneven interval. All multi-element assays remain pending.

Table 1: Significant Au intersections (>3m@0.2 g/t Au)

Hole ID	From (m)	To (m)	Interval (m)	Au (g/t)	Description
LEA0001	12	24	12	0.20	12m @ 0.20 g/t Au
LEA0002	12	16	4	0.22	4m @ 0.22 g/t Au
LEA0003	32	36	4	0.39	4m @ 0.39 g/t Au
LEA0008	36	43 (EOH)	7	1.03	7m @ 1.03 g/t Au
LEA0014	68	72	4	0.23	4m @ 0.23 g/t Au
LEA0019	116	120	4	0.20	4m @ 0.20 g/t Au
LEA0021	16	20	4	0.23	4m @ 0.23 g/t Au
LEA0021	52	60	8	0.95	8m @ 0.95 g/t Au
<i>Inc.</i>	56	60	4	1.69	4m @ 1.69 g/t Au
LEA0022	8	12	4	0.32	4m @ 0.32 g/t Au
LEA0022	32	40	8	0.33	8m @ 0.33 g/t Au
LEA0047	44	47 (EOH)	3	0.31	3m @ 0.31 g/t Au

N.B. EOH = end of hole

KANGAROO HILLS JV PROJECT (LSR-20%, FBM-80%) - Lithium

During the quarter Phase 2 RC and diamond core drilling programmes were completed at the Kangaroo Hill JV Lithium Project (KHLP) (Figure 7). 27 RC holes were completed (KHRC015-041) for 3,216m and 5 diamond core holes (KHDD001-005) were completed for 313m.

The assay results further support the significance of the initial March 2023 discovery at the Big Red Prospect (Big Red). A series of vertical holes testing the fresh mineralised pegmatite have confirmed the shallow thick high-grade mineralisation which remains open to the north and north-west, indicating the need for further follow up drilling to test for extensions to the mineralisation. Following the recent geophysical review, a resistivity anomaly was identified within the Big Red Prospect, which further indicates a potential strike up to 1km in a north-northwest direction, extending from the current drilling area. This finding further highlights the potential scale of Big Red.

Additionally, a single drill hole (KHRC037) at the Rocky Prospect has intercepted a spodumene bearing pegmatite returning 5m @ 1.12% Li₂O from 104m. Drill hole KHRC028, drilled directly east of KHRC037 intercepted a weathered pegmatite from surface with anomalous Li, Ta and Tin (Sn) recorded. These occurrences validate this exciting prospect located only 500m from the Big Red discovery and remains open to the south and east and maybe connected. High priority infill and extension drilling will now be required to further understand the nature of the pegmatites in this area and their association with the Big Red Prospect.

Phase 3 drilling will include both RC and diamond drilling (DD), infilling Big Red and testing the high priority targets at Rocky and Eastern Grey plus regional prospects, Wallaroo and Pademelon. The Phase 3 drilling programme will consist of 4,000m of RC testing on the currently permitted targets. As the Programs of Work (POW) and permits are received, the programme will expand on the remaining target areas, which include the areas of Big Red North, Western Grey and Quokka. Diamond drilling will be further used within the Big Red discovery zone to investigate structural constraints of the pegmatite and to provide high quality samples for detailed geological analysis.

Core samples will also be used in the early-stage metallurgical test work with results expected in the September 2023 quarter. Additionally, all samples returned from the Phase 2 programme which intercepted >1% Li₂O have been submitted for quantitative X-Ray Diffraction mineralogy.

Discussion of Results

Drilling to date has shown that fresh intercepts of the pegmatite provide the best potential for the discovery of lithium (Li) mineralisation. Many of the drill holes, in particular the drill hole line of KHRC023-25, have intercepted weathered pegmatite from the surface and while Li values were low, tantalum (Ta) and tin (Sn) remain elevated confirming the outcrop as the fertile host of the Li bearing pegmatite. Wide step out holes completed within the programme have intercepted thin pegmatites, many of which contain low level Li mineralisation. However, given the wide drill spacing it is still not clear how some of the thin pegmatites relate to the thick mineralisation present at the Big Red Prospect.

Drill hole KHRC032, being the northern most drill hole, was drilled at -60 degrees to the east and has only tested the eastern most edge of the resistivity anomaly. This anomaly is identified as being coincident with the Big Red LCT pegmatite. The drill hole intercepted the same fertile pegmatite with thick elevated tantalum (Ta) throughout the intercept including 19m @ 80ppm Ta from 98m and low-level Li mineralisation, including 3m @ 0.37% Li from 115m and 2m 0.46% Li from 132m located in a thin pegmatite underneath the thicker unit. The high Ta values are indicative of a fertile LCT pegmatite and are comparable with the Ta values recorded within the known Li mineralisation at Big Red. These results confirm that the pegmatite hosting Big Red remains fertile and prospective with further strike potential in both the north and west direction, where further Li mineralisation maybe present in the pegmatite. Phase 3 drilling will further test the prospect with step out drilling to the north. The Company is currently awaiting permitting approval for the area north of which sits within the Kangaroo Hills Timber Reserve. As soon as permitting is received, drilling will commence in this prospective area.

Significantly the Rocky prospect has now been validated by the assay confirmation of mineralised pegmatites recording 5m @ 1.12% Li₂O from 104m (KHRC037). Shallow pegmatites intercepted in KHRC028 located directly east of KHRC037 also produced anomalous Li, Ta and Sn in weathered pegmatite, highlighting a potential up dip extension or stacking of mineralised pegmatites. Presently this target remains open to the south and east as the pegmatite is interpreted to be independent of the mineralised Big Red pegmatite suggesting the potential for another high-grade Li discovery to be made within close proximity to the Big Red discovery adding significant scale to the KHLP. The prospect has been elevated to a high priority drill target, set to be tested in the Phase 3 RC programme.

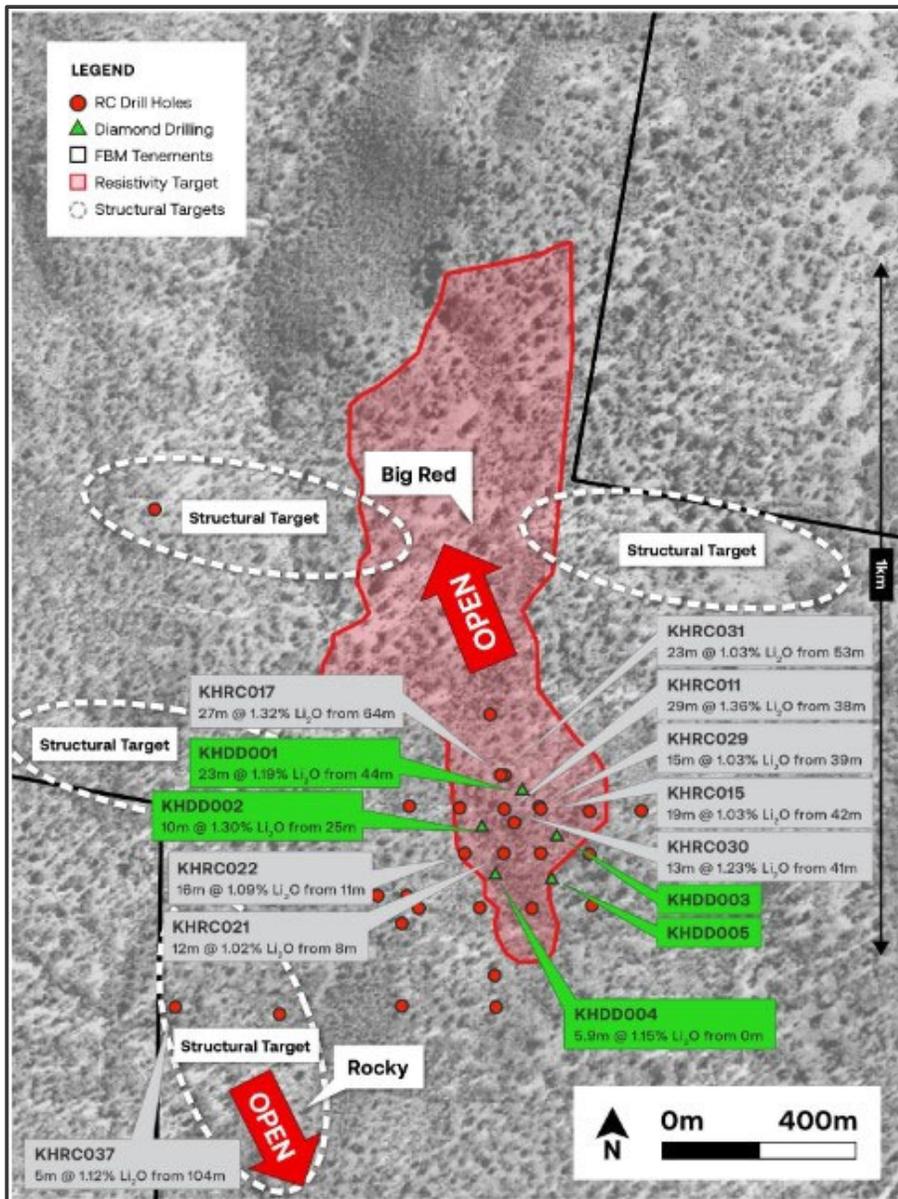


Figure 7: Kangaroo Hill LCT Prospect, showing drill hole collar locations with significant intersections and IP anomaly in red.

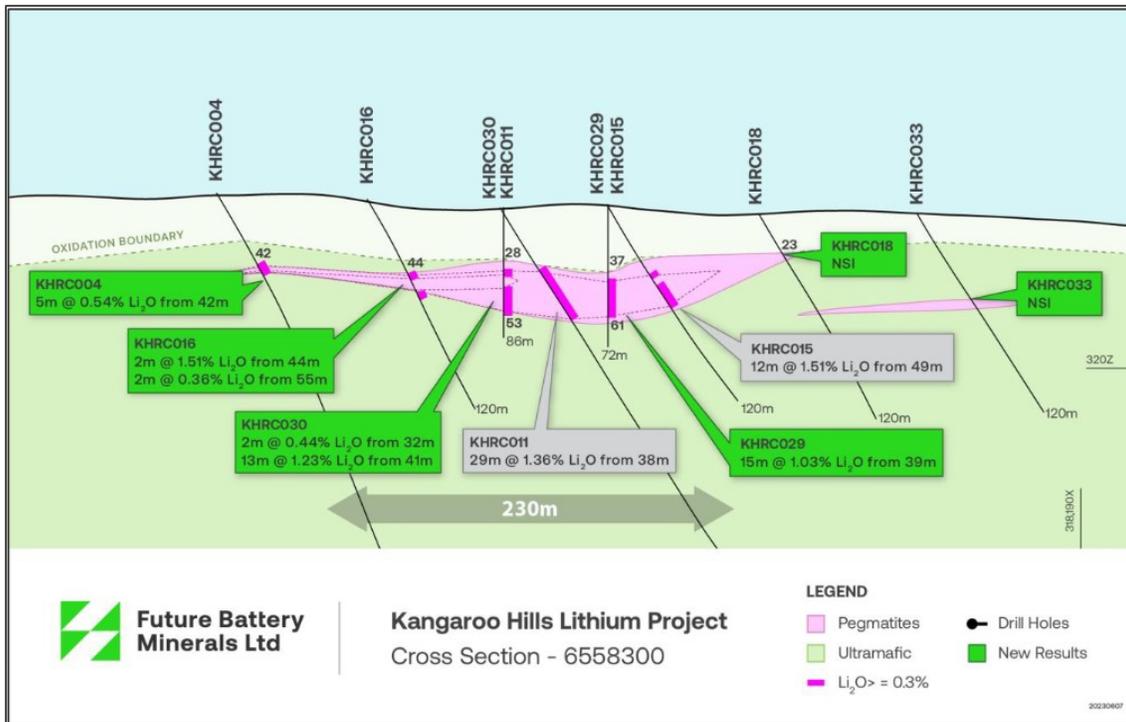


Figure 8: KHP - Cross Section northing 6558300

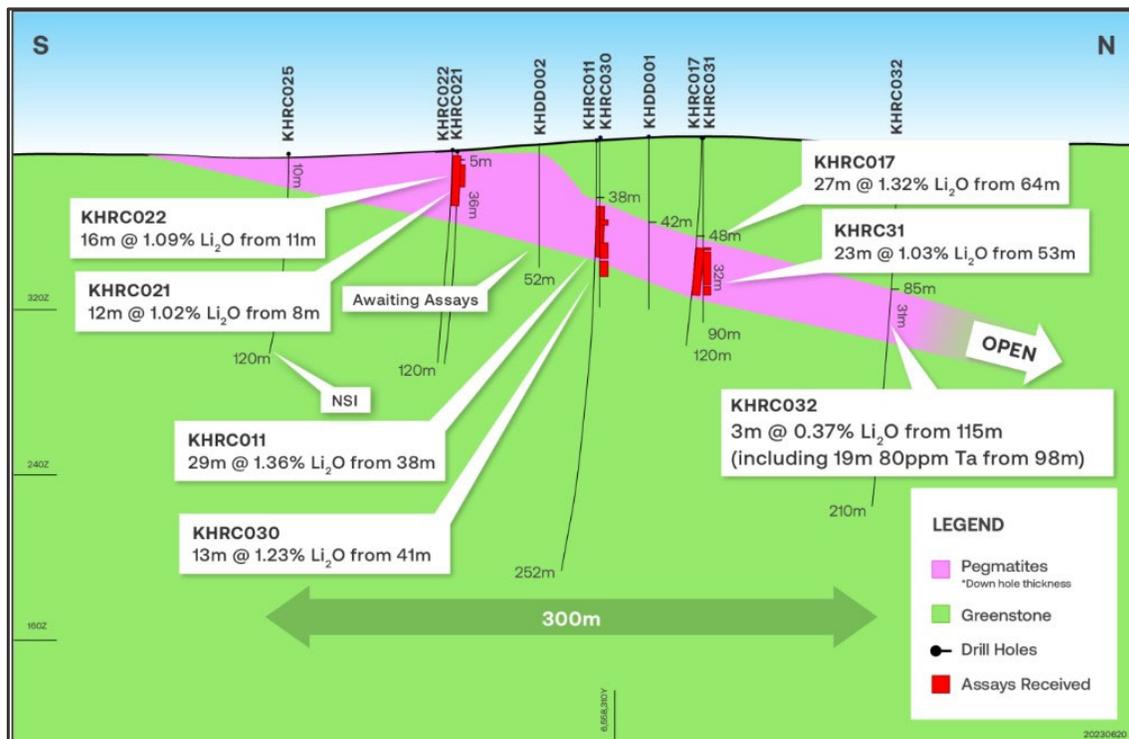


Figure 9: KHP North - South Cross Section, Easting 317900

CORPORATE

Nepean JV Project Sale

In June 2023, Lodestar completed the sale of the Nepean Nickel Project (NNP) tenements to Rocktivity Nepean Pty Ltd (Completion) for \$10M cash (Lodestar to receive 20% of these funds).

The NNP tenements comprise of M15/709, M15/1809 and P15/5750, and excludes the Kangaroo Hills Lithium Project (KHLP) tenements in which FBM holds an 80% interest and Lodestar Minerals Ltd (ASX: LSR) holds the remaining 20%.

A cash consideration of \$2.7 million was received upon Completion in addition to the \$100,000 deposit received on signing, with the remaining deferred consideration of \$7.2 million payable as

follows:

- \$2.7 million payable 12 months from Completion of the Transaction (June 2024);
- \$2.5 million payable 18 months from Completion of the Transaction (December 2024); and
- \$2 million payable 24 months from Completion of the Transaction (June 2025).

Lodestar Establishes At-the-Market Facility

Lodestar Minerals Limited ("Lodestar" or "the Company", ASX:LSR) entered into an At-the-Market Subscription Agreement (ATM) with Acuity Capital. The ATM provides Lodestar with up to \$2,000,000 of standby equity capital over the coming 40 months to 31 July 2026.

Lodestar has full discretion as to whether or not to utilise the ATM, the maximum number of shares to be issued, the minimum issue price of shares and the timing of each subscription (if any). There are no requirements on Lodestar to utilise the ATM and Lodestar may terminate the ATM at any time, without cost or penalty. Acuity Capital and the ATM do not place any restrictions at any time on Lodestar raising capital through other methods.

If Lodestar does decide to utilise the ATM, Lodestar is able to set an issue price floor at its sole discretion, with the final issue price being calculated as the greater of the nominated floor price and up to a 10% discount to a Volume Weighted Average Price (VWAP) over a period of Lodestar's choosing (again at its sole discretion).

As security for the ATM, the Company has agreed to place 80,000,000 fully paid ordinary LSR shares from its LR 7.1 capacity at nil cash consideration to Acuity Capital. Upon early termination or maturity of the ATM, the Company may buy back (and cancel) the shares placed as security for no cash consideration (subject to shareholder approval).

E69/3882 and E69/3883 Tenement Acquisition Terms

Lodestar acquired Tripod Resources Pty Ltd (“Tripod”) for \$65,200 cash and the issue of 24,960,000 Lodestar fully paid ordinary shares at an issue price of 0.5 cents per share. The shares were issued pursuant to ASX Listing Rule 7.1. Tripod owns two granted exploration licences (E69/3882 and E69/3883) within the Earraheedy Basin.

E69/3824 Acquisition Terms

1. The Vendor is Recharge Resources Pty. Ltd. a wholly owned subsidiary of BPM Minerals Ltd.
2. Lodestar will be the 100% owner of the project upon completion.
3. Acquisition Value:
 - a. \$25,000 cash.
 - b. \$75,000 of fully paid ordinary shares in Lodestar Minerals Ltd. at an issue price of \$0.005 (15,000,000 shares). The shares will be issued pursuant to ASX Listing Rule 7.1.
 - c. 1% Net Smelter Royalty (NSR) on all minerals.
 - d. Payable within 5 business days of execution of sale agreement.
4. Acknowledgement of existing 1% NSR and buy back clause (in case of tenement surrender, relinquishment, or non-renewal) from Binding Heads of Agreement from May 2021 BPM transaction.

APPENDIX 5B DISCLOSURES

ASX LR 5.4.1: Exploration expenditure during the quarter totalled \$364k.

ASX LR 5.4.3: Tenement schedule is attached to activities report.

ASX LR 5.4.5: Payments to related parties totalled \$121k and was in respect of Directors’ salaries and superannuation payments, in addition to payments for corporate management services to Director related entities.

SEPTEMBER 2023 QUARTER ACTIVITY PIPELINE

- Kangaroo Hill JV Project Phase 3 drilling programme
- Earraheedy aircore multi-element assays to be received
- Earraheedy maiden RC drill programme to follow up aircore drilling
- Earraheedy soil geochemistry programmes to be completed (2,200 samples)

This announcement has been approved for release by the Board of the Company.

Contacts

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About Lodestar

Lodestar Minerals is an active Western Australian base metal, lithium, and gold explorer. Lodestar's projects comprise the 100%, Earraheedy-Imbin, Jubilee Well and Coolgardie West projects as well as the Kangaroo Hills JV Project, the Nepean JV Project, and the Ned's Creek JV Project (Figure 10).

The Earraheedy Project is a major strategic land holding in the emerging Earraheedy Province, site of Rumble Resource's recent and potentially world-class Zinc-Lead discoveries. The Imbin Project is located on the northern margin of the prospective basin and is the site of significant historic copper intersections in drilling and approximately 20km of strike of the targeted Yelma-Frere unconformity.

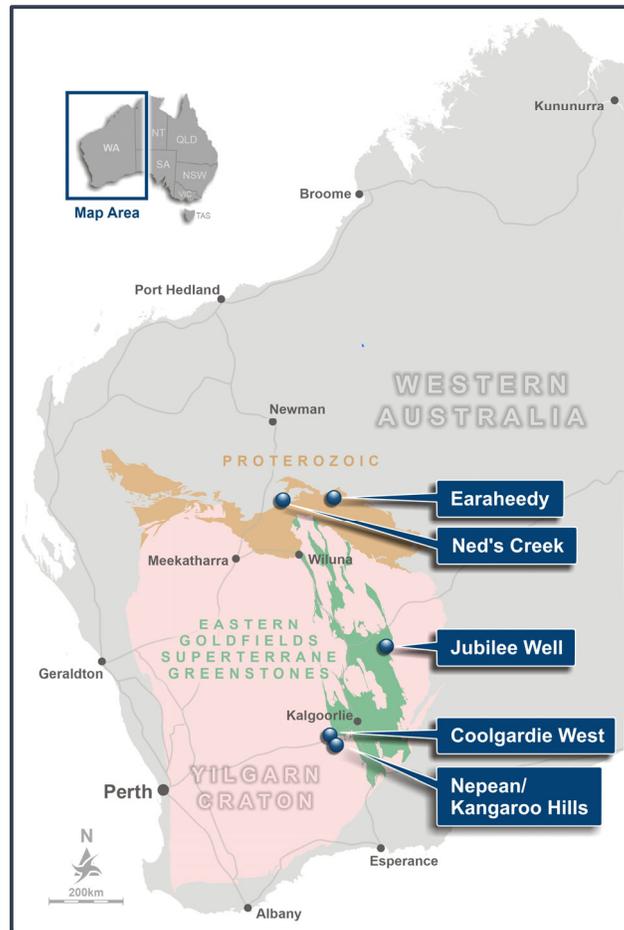


Figure 10: Lodestar project locations

Competent Person Statement

The information in this report that relates to Exploration Results is based on information compiled by Mr Ed Turner who is a full-time employee for Lodestar and a Member of the Australasian Institute of Geoscientists. Mr Turner has sufficient experience of relevance to the styles of mineralisation and the types of deposits under consideration, and to the activities undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Turner consents to the inclusion in this report of the matters based on the information in the form and context in which it appears.

These announcements are available to view on the Lodestar website. 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 in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

APPENDIX 1: Schedule of Exploration Tenements as of 31 July 2023

Tenement description	Tenement number	Status	Percentage interest
Ned's Creek			Subject to JV: Vango Mining earning 51%
	E52/2456	Granted	100% - Audacious Resources
	E52/2734	Granted	100% - Lodestar Minerals
	E52/3473	Granted	100% - Lodestar Minerals
	E52/3476	Granted	100% - Lodestar Minerals
	M52/779	Granted	80% - Lodestar Minerals - 20% Vango Mining
	M52/780	Granted	80% - Lodestar Minerals - 20% Vango Mining
	M52/781	Granted	80% - Lodestar Minerals - 20% Vango Mining
	M52/782	Granted	80% - Lodestar Minerals - 20% Vango Mining
Ned's Creek			Not Subject to JV
	E52/3798	Granted	100% - Lodestar Minerals
Earaheedy	E69/3483	Granted	100% - Lodestar Minerals
	E69/3532	Application	100% - Lodestar Minerals
	E69/3533	Granted	100% - Lodestar Minerals
	E69/3590	Granted	100% - Lodestar Minerals
	E69/3699	Granted	100% - Lodestar Minerals
	E69/3824	Granted	100% - Lodestar Minerals
	E69/3883	Granted	100% - Lodestar Minerals
	E69/3952	Granted	100% - Lodestar Minerals
	E69/4030	Granted	100% - Lodestar Minerals
	E69/4152	Application	100% - Lodestar Minerals
	E69/4153	Application	100% - Lodestar Minerals
	E69/3883	Granted	100% - Lodestar Minerals

Tenement description	Tenement number	Status	Percentage interest
Kangaroo Hills			
	P15/5738	Granted	Future Battery Minerals – Lodestar Minerals (80:20)
	P15/5740	Granted	Future Battery Minerals – Lodestar Minerals (80:20)
	P15/5741	Granted	Future Battery Minerals – Lodestar Minerals (80:20)
	P15/5742	Granted	Future Battery Minerals – Lodestar Minerals (80:20)
	P15/5743	Granted	Future Battery Minerals – Lodestar Minerals (80:20)
	P15/5749	Granted	Future Battery Minerals – Lodestar Minerals (80:20)
	P15/5750	Granted	Future Battery Minerals – Lodestar Minerals (80:20)
	P15/5963	Granted	Future Battery Minerals – Lodestar Minerals (80:20)
	P15/5965	Granted	Future Battery Minerals – Lodestar Minerals (80:20)
	M15/1887	Application	Future Battery Minerals – Lodestar Minerals (80:20)
	M15/1890	Application	Future Battery Minerals – Lodestar Minerals (80:20)
	P15/6681	Application	Future Battery Minerals – Lodestar Minerals (80:20)
	E15/1828	Application	Future Battery Minerals – Lodestar Minerals (80:20)
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Jubilee Well	E38/3054	Granted	100% - Lodestar Minerals
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Coolgardie West	E15/1813	Application	100% - Lodestar Minerals
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Appendix 5B

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

Name of entity

Lodestar Minerals Limited

ABN

32 127 026 528

Quarter ended ("current quarter")

30 June 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	-	-
1.2 Payments for		
(a) exploration & evaluation	(364)	(1,136)
(b) development	-	-
(c) production	-	-
(d) staff costs	(208)	(615)
(e) administration and corporate costs	(130)	(420)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	9	20
1.5 Interest and other costs of finance paid	(1)	(1)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(694)	(2,152)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant, and equipment	(20)	(117)
(d) exploration & evaluation	-	-
(e) investments	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
2.2 Proceeds from the disposal of:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant, and equipment	-	-
(d) investments *	515	515
(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	495	398

* First tranche, net of costs, from the sale of the Nepean assets, as announced on 9 May 2023.

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	-	-
3.4 Transaction costs related to issues of equity securities or convertible debt securities	(5)	(5)
3.5 Proceeds from borrowings	550	550
3.6 Repayment of borrowings *	(65)	(65)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (lease liabilities right of use assets)	(7)	(15)
3.10 Net cash from / (used in) financing activities	473	465

* Loans repaid to shareholders as part of the acquisition of Tripod Resources Pty Ltd, as announced on 28 April 2023

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	363	1,926
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(694)	(2,152)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	495	398

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	473	465
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	637	637

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	637	363
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)	637	363

6. Payments to related parties of the entity and their associates	Current quarter \$A'000	
6.1	Aggregate amounts of payments to related parties and their associates included in item 1	121
6.2	Aggregate amounts of payments to related parties and their associates included in item 2	-
<p><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></p>		

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

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amounts at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	550	550
7.2	Credit standby arrangements	-	-
7.3	Other (provide details if material)	-	-
7.4	Total financing facilities	550	550
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.		
	<p>In April 2023, the Company raised \$550,000 through loan facilities with sophisticated investors. The unsecured loans are for a minimum period of 3 months, however, can be extended for up to 12 months. Interest on the loans is 12%p.a.</p> <p>By mutual agreement, these loans were not paid at the end of the minimum three months.</p>		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(693)
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)	(693)
8.4	Cash and cash equivalents at quarter end (item 4.6)	637
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	637
8.7	Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	0.92
	<i>Note: if the entity has reported positive relevant outgoings (i.e., 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?	
	<p>Answer: Yes. The entity expects to have a comparable level of net cash outflows from operating activities as it has a continuing exploration program on its Earraheedy tenements. These operating cash flows are subject to fluctuation as exploration program timing may shift due to conditions and availability of contractors. In addition to the above, the Company expects full payments of outstanding JV receivables in the coming quarter to provide sufficient working capital.</p>	

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

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: Yes. The entity has the capacity to raise additional working capital for its operations via a placement to investors or via the monetisation of assets held presently.

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: Yes, based on the commentary provided at 8.8.1 and 8.8.2.

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 July 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 – e.g. 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.