

MARCH 2023 QUARTERLY REPORT

Highlights

Major highlight of the quarter is the signing of the non-binding term sheet for a merger with TSXV listed Newrange Gold Corporation with the following key points:

- **Mithril Resources** has entered into a non-binding term sheet with **Newrange Gold Corp. (TSXV: NRG)** (Newrange Gold) for the business combination of the two companies via a friendly merger (**Proposed Merger**) to create a **new Americas-focused exploration & development company**.
- Mithril Resources understands that the Proposed Merger, if it proceeds, will be classified as a reverse takeover of Newrange Gold, under the rules of the TSX Venture Exchange (TSXV).
- The Proposed Merger is intended to be undertaken by a scheme of arrangement pursuant to Part 5.1 of *the Corporations Act 2001* (Cth), whereby Newrange Gold will acquire 100% of the issued capital in Mithril Resources.
- The non-binding term sheet is conditional upon a number of standard conditions, including completion of satisfactory due diligence by each of the parties on each other, the negotiation and execution of a formal Scheme Implementation Agreement and the acceptance of the Proposed Merger by Mithril Resources shareholders and the TSX Venture Exchange.
- Newrange Gold is an exploration company listed on the TSXV with a current focus on two highly prospective gold projects in the Red Lake Mining Division of north-western Ontario, Canada.

The Board of Mithril considers the Proposed Merger to be mutually beneficial:

- On the TSX and TSXV there are numerous resources companies actively exploring and producing in Mexico, a jurisdiction familiar to North American investors.
- Mithril will enhance the market presence of its Mexican assets with a listing on the TSXV, thereby broadening research coverage and trading liquidity for its highly prospective Copalquin gold-silver district where already a significant high-grade maiden JORC resource has been released for the first of several target areas in the district and with excellent expansion prospects.
- Newrange Gold's existing projects in the prolific Red Lake District of north-western Ontario will provide geographic diversification with the potential for new discoveries and the depth extension of the past producing Argosy Gold Mine only 10 kilometres from the Springpole deposit being developed by First Mining Gold Corp.
- The combined Board and Management from Mithril and Newrange Gold will result in strong management, with considerable years of experience and success operating in the prolific Sierra Madre gold-silver trend of Mexico, where Mithril's high-grade, epithermal gold-silver Copalquin Mining District is located.

In relation to this proposed merger, Mithril released an Investor Presentation: [ASX:MTH – TSXV:NRG New Americas Focused TSXV Silver-Gold Company](#)

Steps for the proposed merger are progressing with announcements relating to key milestones to follow in due course.

DIRECTORS

John Skeet – Managing Director & CEO
Garry Thomas – Non-Executive Director
Stephen Layton – Non-Executive Director
Claire Newstead-Sinclair – Company Secretary

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Copalquin Project, Mexico

- The current dry season months allow field work to progress, which includes mapping and soil sampling for target generation. Additional areas west of the high-grade El Refugio resource have been progressed further expanding the resource potential of the Copalquin gold-silver mining district.
- Supporting the local community, the all-terrain vehicle track has advanced, connecting key areas of the Copalquin District with the nearby regional town of El Durazno. This opens up future transport and development options to advance exploration and a future development in the district.
- Using all drilling and exploration data to date, drill plans have progressed to increase resource confidence, expansion along strike of the El Refugio resource and progress the multiple district targets at Copalquin.

Cash

- At end of the March 2023 quarter, the Company has total cash of A\$0.560M cash plus A\$0.370M due from the December 2022 placement to directors and a related party. The shareholder meeting to approve the placement shares is scheduled for 5 May 2023.
- Following the end of the quarter, the company received further VAT refunds from the Mexican tax office for ~A\$0.160M. VAT tax refund claims from previous years, are anticipated to continue throughout the June 2023 quarter.

Mithril Resources Ltd (ASX: MTH) (**Mithril** or the **Company**) is pleased to provide a quarterly update for the period ending 31 March 2023. In March, the Company announced that it had entered into a non-binding term sheet with Newrange Gold Corp. (TSXV: NRG) (**Newrange Gold**). ([Refer to ASX Announcement 7 March 2023](#))

This non-binding term sheet details a proposed business combination of the two companies, whereby it is proposed that Newrange Gold will acquire 100% of the issued capital in Mithril Resources via a friendly merger (**Proposed Merger**). Mithril Resources understands that the Proposed Merger, if it proceeds, will be classified as a reverse takeover under the rules of the TSX Venture Exchange (TSXV).

The Company believes shareholders will benefit from holding listed securities on the TSXV, offering improved trading liquidity and direct access to the Canadian capital markets through the Proposed Merger.

At the present time, Mithril Resources and Newrange Gold are undertaking due diligence on each other's assets and negotiating the terms of the Proposed Merger. The parties intend for the Proposed Merger to proceed by way of a scheme of arrangement between Mithril Resources and its shareholders (**Share Scheme**) and a separate concurrent scheme of arrangement between Mithril Resources and the holders of the unlisted options (**Option Scheme**) (together, the **Scheme**).

The Scheme will be subject to the approval of the relevant participants in each Scheme and the Courts in accordance with the requirements of Part 5.1 of the *Corporations Act 2001* (Cth), as well as the satisfaction of various other conditions which are considered standard for transactions of this nature. The Proposed Transaction will also be subject to the approval of Newrange shareholders and the TSX Venture Exchange.

Under the Scheme, should it proceed, Newrange Gold intends to:

1. consolidate its share capital immediately prior to the closing of the Proposed transaction on a 12:1 basis (**Consolidation**); and
2. issue approximately
 - a. 18.08 consolidated Newrange Gold shares for every 1,000 Mithril Resources shares held by Mithril Resources shareholders based on an equity value for Mithril Resources of A\$11.8M;
 - b. 18.08 warrants to acquire consolidated Newrange Gold shares (**Newrange Warrants**) for every 1,000 options held by Mithril Resources option holders (**Mithril Options**), with the Newrange Warrants to be issued on the same terms as the relevant Mithril Options being exchanged at completion.

Board composition on completion of the Scheme:

If the Proposed Transaction proceeds to completion, it is anticipated that Mr. John Skeet, Mr. Stephen Layton and Mr. Garry Thomas, (all current Directors of Mithril Resources) will become Principals of Newrange Gold.

In addition to the appointments of Mr. John Skeet, Mr. Stephen Layton and Mr. Garry Thomas as Principals of Newrange Gold, it is contemplated that:

- Mr. Skeet will assume the role of President & CEO of Newrange Gold;
- Mr. Robert Archer will become Executive Chair of Newrange Gold;
- The existing directors, Ron Schmitz and Colin Jones, will stay on the board of Newrange Gold; and,
- David Cross will remain as CFO and Company Secretary of Newrange Gold.

Due Diligence and Indicative Timeline:

Under the terms of the non-binding term sheet, the parties have agreed to a period of twenty (20) Business Days to conduct due diligence investigations.

If the Proposed Transaction proceeds, the parties intend to execute Scheme Implementation Agreements for each of the Share Scheme and the Option Scheme early May 2023.

The Scheme will then proceed in accordance with a standard timeline, with dates for the relevant Court hearings and shareholder meetings to be finalised in due course.

Prior Placements:

Prior to entering into the Scheme, Mithril Resources understands that Newrange Gold intends to undertake:

- (a) a private placement to raise up to C\$360,000, to be used for working capital purposes and to pay for the expenses related to the Proposed Transaction (**Bridge Financing**); and
- (b) a further private placement to raise up to C\$3,600,000, to be used for further exploration and development of the Copalquin Project and working capital (**Concurrent Financing**).

The placements are being conducted in order to meet the relevant listing rules of the TSXV, which requires that companies have adequate working capital and financial resources to carry out stated work programs and execute stated business plans for 12 months following listing.

The securities issued under the Bridge Financing will be subject to the proposed Consolidation.

Further information regarding these private placements can be found in the market announcement released by Newrange Gold, on or around the date of this announcement, on the company's website at newrangegold.com/news/news-releases/

Other information:

It is anticipated that:

- (a) upon completion of the Scheme, Newrange will change its name to Pinnacle Silver and Gold Corp (or such other name as is determined by the companies);
- (b) Newrange will apply for an exemption from sponsorship for the Proposed Transaction in accordance with the policies of the TSXV; and
- (c) completion of the Proposed Transaction will be conditional upon arrangements being in place (including obtaining any necessary approvals from Mithril Resources shareholders and ASX) so that all of the existing employee options and performance rights will either be acquired by Newrange Gold, vest (and have resulted in the issue of Mithril Resources shares), lapse or otherwise be cancelled or terminated.

Mithril Resources is preparing a NI 43-101 compliant technical report on the Copalquin Project for submission to the TSXV.

Further information about the Proposed Transaction will be disclosed when available and included in the documentation that will be filed by each of the companies, in due course, in accordance with the policies of the ASX, the Corporations Act and the TSXV (as applicable).

Board intention:

The Board of Mithril Resources intend to unanimously recommend that Mithril Resources shareholders vote in favour of the Scheme, subject to entry into an acceptable Scheme Implementation Agreement, no superior proposal being received and an Independent Expert concluding (and continuing to conclude) that the Scheme is in the best interests of shareholders.

The Company notes that, until due diligence is completed, and a binding Scheme Implementation Agreement is executed by the parties, there is no certainty that the Proposed Merger will proceed.

COPALQUIN DISTRICT, MEXICO

District target generation, advancement and drilling preparation work continued throughout the quarter during the dry season months. Soil sampling programs were undertaken with results from samples pending. The current silver in soils map is shown below in Figure 2 with most work being directed to the middle section across the Copalquin district with further work planned for San Manuel target area on the southern section of the district.

Drill program design work is in progress to direct drill metres to most efficiently improve the confidence of the El Refugio maiden resource, expand the resource footprint in this area and test along strike in both directions, and following up previously drilled high-grade intercepts.

Supporting the local community, the all-terrain vehicle track has advanced, connecting key areas of the Copalquin District with the nearby regional town of El Durazno. This opens up future transport and development options to advance exploration and a future development in the district (Figure 3).

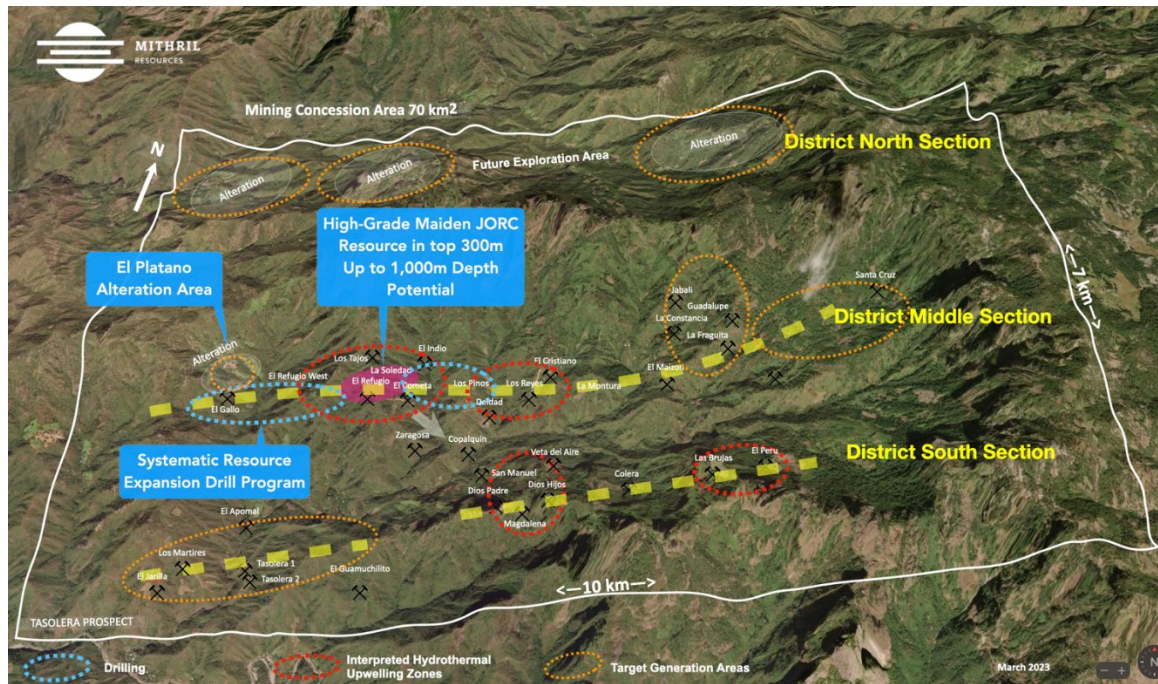


Figure 1 – Satellite image of the Copalquin Mining District 70km² concession area showing the two main lines of historic workings, areas of exploration work and the location of the maiden JORC MRE at El Refugio.

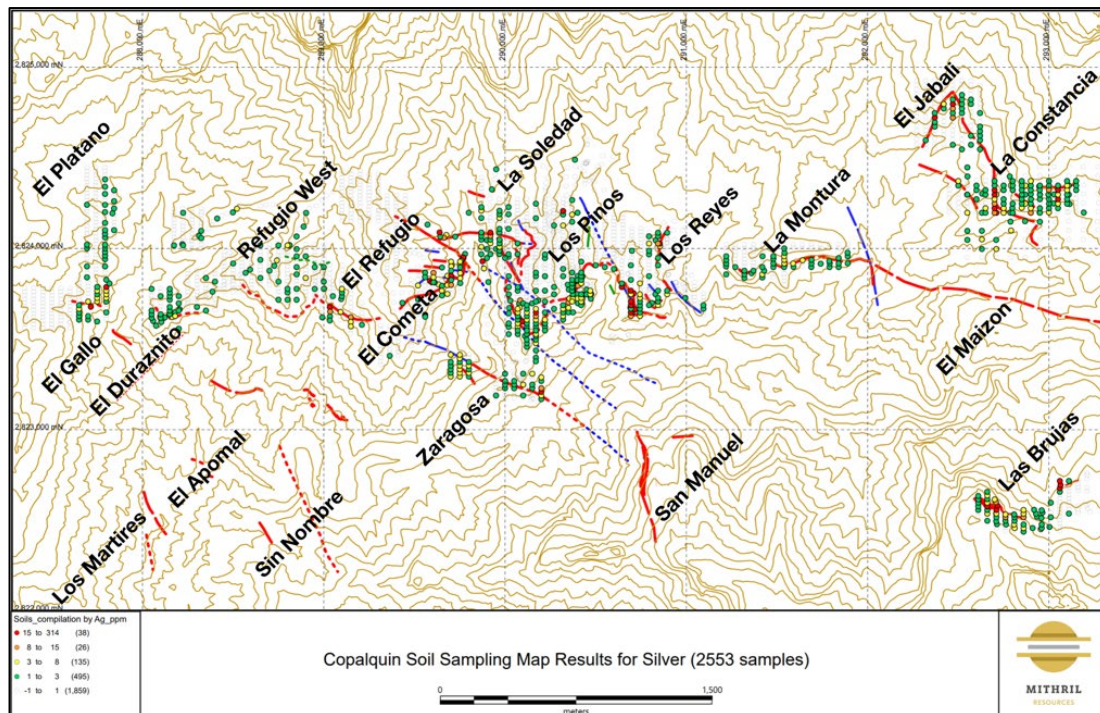


Figure 2 Soil sampling map for silver, across middle and southern sections of the Copalquin Mining District

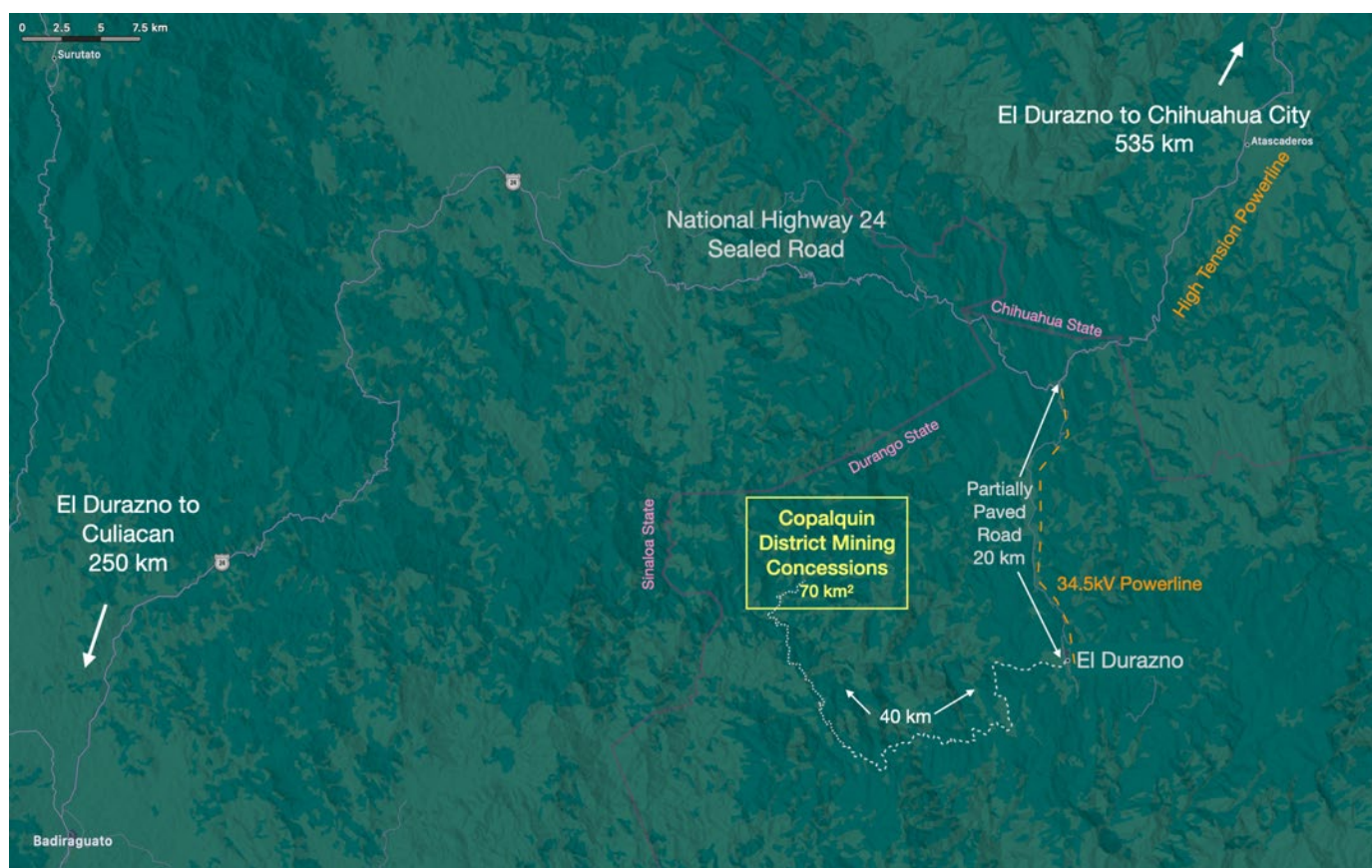


Figure 3 Copalquin District location and surrounding road access, major regional town of El Durazno and distances to cities. All-terrain vehicle track connecting to unsealed road with total length of 40 km between Copalquin and El Durazno.

CORPORATE

Cash

At end of the March 2023 quarter, the Company has total cash of A\$0.560M cash plus A\$0.370M due from the December 2022 placement to directors and a related party. The shareholder meeting to approve the placement shares is scheduled for 5 May 2023.

Following the end of the quarter, the company received further VAT refunds from the Mexican tax office for ~A\$0.160M. VAT tax refund claims from previous years, are anticipated to continue throughout the June 2023 quarter.

Related party Payments

In line with its obligations under ASX Listing Rule 5.3.5, Mithril Resources Limited notes that the only payments to related parties of the Company, as advised in the Appendix 5B for the period ended 31 March 2023, pertain to payments to directors and consultants for fees, salary and superannuation.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

The Company philosophy operating in the Copalquin district is to support communities via children's education and providing employment opportunities. This includes supporting three community schools in

the district, employing twenty people from within the district under the federal employment laws, and developing infrastructure in the district for long term benefit.

During the March 2023 quarter, the Company supported the local community to upgrade the all-terrain vehicle track to give access from key areas within the Copalquin District to the nearby township of El Durazno, approximately 12 km east of the Copalquin Mining District, and 40 km via all-terrain vehicle track.



Figure 4 Ceramics workshop at the Los Reyes schoolhouse led by Ing. Darcy Garcia. Chief Geologist, Hall Stewart (blue shirt) and Geologist, Luis Angel Torres to his right.

About Newrange Gold:

Newrange Gold Corp. is an exploration company listed on the TSXV, with a focus on district-scale exploration for precious metals in the prolific Red Lake District of north-western Ontario. The past-producing high-grade Argosy Gold Mine is open to depth, while the adjacent North Birch Project offers additional potential.

The 100% owned North Birch Gold Project comprises approximately 3,850 hectares and lies in the north-western corner of the Birch-Uchi Greenstone Belt in the Red Lake Mining Division of north-western Ontario, roughly 110 kilometres northeast of the town of Red Lake. It is presently accessible by air only, but road access is improving as logging roads and an all-weather road to the Springpole Gold Project, 12 kilometres to the southeast, are pushing farther north. In the summer, float planes are available from Red Lake, Sioux Lookout and Ear Falls. In the winter, fixed wing aircraft equipped with skis for landing on the frozen lakes are available in Red Lake and Sioux Lookout. Helicopters are also available year-round from Red Lake and Kenora.

The Birch-Uchi Belt is considered to have similar geology to the Red Lake Belt but has seen less exploration and is about three times larger. The North Birch Project covers a geological setting identified from airborne magnetic surveys (Ontario Geological Survey and AurCrest Gold) and interpreted as being a favourable environment for gold mineralisation.



Figure 5 - Location of the Newrange Gold Canadian properties in the Birch-Uchi Belt of the prolific Red Lake Mining Division,

Specifically, the Property covers an intensely folded and sheared iron formation that is similar in appearance to the one hosting Newmont Goldcorp's Musselwhite Mine (past production, reserves and resources exceed 8 million ounces Au), some 190 kilometres to the northeast. In addition, the stratigraphy underlying the bulk of both properties is interpreted as Cycle I volcanics, which are thought by some workers to be equivalent to the Balmer Assemblage, host of the prolific Campbell/Red Lake gold orebody (more than 20 million ounces gold in past production and reserves) in the adjacent Red Lake Greenstone Belt.

Minimal previous exploration has been conducted on the North Birch Property, largely because it lies at the limits of government mapping. However, the past-producing Argosy Gold Mine is only about four kilometres from the southeast boundary of the

property and the Richardson Lake deposit lies just 2.5 kilometres north of Argosy. Gold mineralisation at Argosy is hosted by what appears to be a set of extensional veins related to a north-south structure. Veining in iron formation at Richardson Lake is of a similar style, while gold-bearing pyritic quartz veins in iron formation have been reported elsewhere in the vicinity of the Property.

The 100% owned Argosy Gold Mine is situated in the northern part of the Birch-Uchi Greenstone Belt of the Superior Province of the Precambrian Shield. The Birch-Uchi Belt lies between the prolific Red Lake and Pickle Lake Greenstone Belts and contains similar geology. Located 110 kilometres east-northeast of Red Lake, the property hosts the most significant past-producing gold mine in the Birch-Uchi Belt. It also lies just 10 kilometres northwest of the Springpole Deposit being advanced by First Mining Gold Corp. (4.7 million ounces Au in Indicated resources). Newrange owns a 100% interest in the Argosy Gold Mine Property, subject to a 2.5% NSR. The property consists of 43 patented claims and 17 Mining Licences of Occupation comprising 604 hectares.

The Argosy (formerly Jason) Gold Mine was mined between 1931 and 1952 and produced 101,875 ounces of gold and minor amounts of silver from 276,573 tons of ore at an average grade of 0.37 ounces per ton (12.7 g/t) Au. The mine was only developed to a depth of 900 feet (270 metres), however, and although developed ore reserves had been exhausted at the time the mine closed, it is known that high-grade gold mineralization extends below the old workings. The property lay dormant until 1974 and has been only intermittently explored since.

Diamond drilling in October 2002 by a previous operator confirmed the extension of the gold mineralization below the old workings.

The property is underlain by a drag-folded sequence of mafic and intermediate volcanics, greywacke and iron formation. Carbonate and sericite alteration occur over an area of about 3km x 3km. A large body of quartz porphyry occurs on the southern portion of the property and related dykes are found intruding the volcanic and sedimentary rocks. Quartz veins mineralized with sulphides and gold occur in north-south trending fractures dipping westward between 30 and 85 degrees.

There is exceptional exploration potential on the property and Newrange will be completing a 3D model from previous data in order to mount an exploration program to further demonstrate the continuity of gold mineralisation to depth.

Further information regarding Newrange Gold, including the background of the company's current Board and Management, can be found on its website at www.newrangegold.com.

ABOUT THE COPALQUIN GOLD SILVER PROJECT

The Copalquin mining district is located in Durango State, Mexico and covers an entire mining district of 70km² containing several dozen historic gold and silver mines and workings, ten of which had notable production. The district is within the Sierra Madre Gold Silver Trend which extends north-south along the western side of Mexico and hosts many world-class gold and silver deposits.

Multiple mineralisation events, young intrusives thought to be system-driving heat sources, widespread alteration together with extensive surface vein exposures and dozens of historic mine workings, identify the Copalquin mining district as a major epithermal centre for Gold and Silver.

Within 15 months of drilling in the Copalquin District, Mithril delivered a maiden JORC mineral resource estimate demonstrating the high-grade gold and silver resource potential for the district. This maiden resource is detailed below (see ASX release 17 November 2021)[^].

- **2,416,000 tonnes @ 4.80 g/t gold, 141 g/t silver for 373,000 oz gold plus 10,953,000 oz silver (Total 529,000 oz AuEq*) using a cut-off grade of 2.0 g/t AuEq***
- **28.6% of the resource tonnage is classified as indicated**

	Tonnes (kt)	Tonnes (kt)	Gold (g/t)	Silver (g/t)	Gold Equiv.* (g/t)	Gold (koz)	Silver (koz)	Gold Equiv.* (koz)
El Refugio	Indicated	691	5.43	114.2	7.06	121	2,538	157
	Inferred	1,447	4.63	137.1	6.59	215	6,377	307
La Soledad	Indicated	-	-	-	-	-	-	-
	Inferred	278	4.12	228.2	7.38	37	2,037	66
Total	Indicated	691	5.43	114.2	7.06	121	2,538	157
	Inferred	1,725	4.55	151.7	6.72	252	8,414	372
	TOTAL	2,416	4.80	141	6.81	373	10,953	529

Table 1 - Mineral resource estimate El Refugio – La Soledad using a cut-off grade of 2.0 g/t AuEq*

* The gold equivalent (AuEq.) values are determined from gold and silver values and assume the following: AuEq. = gold equivalent calculated using and gold:silver price ratio of 70:1. That is, 70 g/t silver = 1 g/t gold. The metal prices used to determine the 70:1 ratio are the cumulative average prices for 2021: gold USD1,798.34 and silver: USD25.32 (actual is 71:1) from kitco.com. Metallurgical recoveries are assumed to be approximately equal for both gold and silver at this early stage. Actual metallurgical recoveries from test work to date are 96% and 91% for gold and silver, respectively. In the Company's opinion there is reasonable potential for both gold and silver to be extracted and sold. Actual metal prices have not been used in resource estimate, only the price ratio for the AuEq reporting.

[^] The information in this report that relates to Mineral Resources or Ore Reserves is based on information provided in the following ASX announcement: 17 Nov 2021 - MAIDEN JORC RESOURCE 529,000 OUNCES @ 6.81G/T (AuEq*), which includes the full JORC MRE report, also available on the Mithril Resources Limited 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 and that all material assumptions and technical parameters underpinning the estimates in the relevant 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.

Mining study and metallurgical test work supports the development of the El Refugio-La Soledad resource with conventional mining methods indicated as being appropriate and with high gold-silver recovery to produce metal on-site with conventional processing.

Mithril is currently exploring in the Copalquin District to expand the resource footprint, demonstrating its multi-million-ounce gold and silver potential.

Mithril has an exclusive option to purchase 100% interest in the Copalquin mining concessions by paying US\$10M on or any time before 7 August 2026 (option has been extended by 3 years).

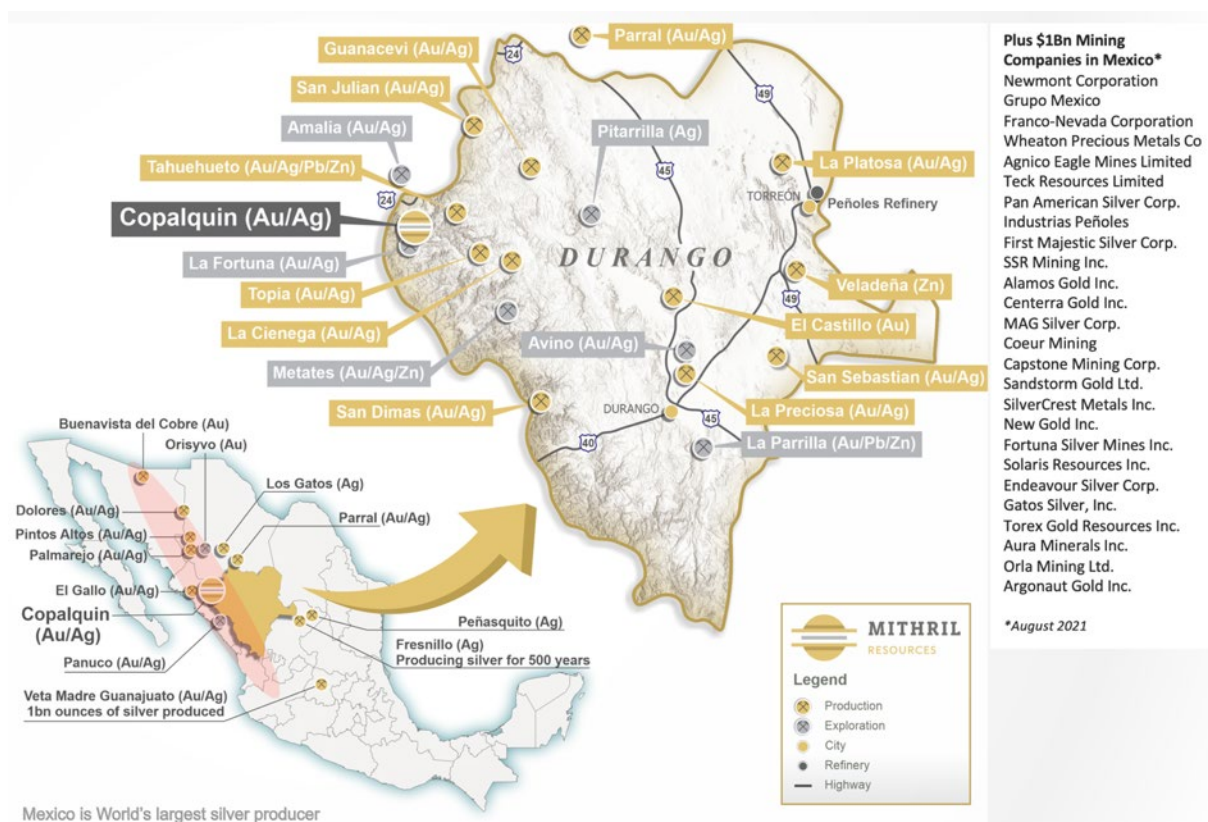


Figure 6 – Copalquin District location map with locations of mining and exploration activity within the state of Durango

-ENDS-

Released with the authority of the Board.
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Competent Persons Statement

The information in this announcement that relates to metallurgical test results, mineral processing and project development and study work, as well as the historic data that relates to the Newrange Gold Inc. Red Lake District properties in this announcement, has been compiled by Mr John Skeet who is Mithril's CEO and Managing Director. Mr Skeet is a Fellow of the Australasian Institute of Mining and Metallurgy. This is a Recognised Professional Organisation (RPO) under the Joint Ore Reserves Committee (JORC) Code.

Mr Skeet 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 Skeet consents to the inclusion in this report of the matters based on information in the form and context in which it appears. The Australian Securities Exchange has not reviewed and does not accept responsibility for the accuracy or adequacy of this release.

The information in this announcement that relates to sampling techniques and data, exploration results and geological interpretation for Mithril's Mexican project, has been compiled by Mr Hall Stewart who is Mithril's Chief Geologist. Mr Stewart is a certified professional geologist of the American Institute of Professional Geologists. This is a Recognised Professional Organisation (RPO) under the Joint Ore Reserves Committee (JORC) Code.

Mr Stewart 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 Stewart consents to the inclusion in this report of the matters based on information in the form and context in which it appears.

The information in this announcement that relates to Mineral Resources is reported by Mr Rodney Webster, Principal Geologist at AMC Consultants Pty Ltd (AMC), who is a Member of the Australasian Institute of Mining and Metallurgy. The report was peer reviewed by Andrew Proudman, Principal Consultant at AMC. Mr Webster is acting as the 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, for the reporting of the Mineral Resource estimate. A site visit was carried out by Jose Olmedo a geological consultant with AMC, in September 2021 to observe the drilling, logging, sampling and assay database.

The Australian Securities Exchange has not reviewed and does not accept responsibility for the accuracy or adequacy of this release.

Mithril Resources Limited Group

Tenement information

31 March 2023

Australian Interests:

Project	Tenement number	Interest owned %
Kurnalpi Area	E28/2506	100.00
Kurnalpi Area	E28/2567	100.00
Kurnalpi Area	E28/2682	100.00
Kurnalpi Area	E28/2760	100.00
Lignum Dam Area	E27/538	100.00
Lignum Dam Area	E27/582	100.00
Lignum Dam Area	E27/584	100.00
Murchison Area (Limestone Well)	E20/846	10.00
Murchison Area (Limestone Well)	E57/1069	10.00
West Kimberley Area	E04/2497	100.00
West Kimberley Area	E04/2503	100.00
West Kimberley Area	E80/5191	100.00

Mexican Operations:

Mining Concession	Mining Concession title number	Interest owned % [^]
LA SOLEDAD	52033	50.00
EL COMETA	164869	50.00
SAN MANUEL	165451	50.00
COPALQUIN	178014	50.00
EL SOL	236130	50.00
EL CORRAL	236131	50.00

[^]Interest in the Copalquin Mining Concessions, Mexico increased to 50% July 2022

Mithril has an exclusive option to purchase 100% interest in the Copalquin mining concessions by paying US\$10M on or any time before 7 August 2026 (option has been extended by 3 years).

APPENDIX 5B

MINING EXPLORATION ENTITY OR OIL AND GAS EXPLORATION ENTITY
QUARTERLY CASH FLOW REPORT

NAME OF ENTITY

MITHRIL RESOURCES LIMITED

ABN

30 099 883 922

QUARTER ENDED ("CURRENT QUARTER")

31 MARCH 2023

CONSOLIDATED STATEMENT OF CASH FLOWS	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(6)	(6)
(b) development		
(c) production		
(d) staff costs	(93)	(272)
(e) administration and corporate costs	(80)	(314)
1.3 Dividends received (see note 3)		
1.4 Interest received	22	23
1.5 Interest and other costs of finance paid	(1)	(2)
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other – GST/VAT refunds/(payments)	489	439
Other – Mexico tax adjustments	44	44
1.9 Net cash from / (used in) operating activities	375	(88)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) tenements		
(c) property, plant and equipment		
(d) exploration & evaluation	(728)	(2,677)
(e) investments		
(f) other non-current assets		

CONSOLIDATED STATEMENT OF CASH FLOWS		Current quarter \$A'000	Year to date (9 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	(728)	(2,677)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		1,130
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		(68)
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings	(16)	(27)
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	(16)	1,035

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	912	2,272
4.2	Net cash from / (used in) operating activities (item 1.9 above)	375	(88)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(728)	(2,677)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(16)	1,035

CONSOLIDATED STATEMENT OF CASH FLOWS		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	22	23
4.6	Cash and cash equivalents at end of period	565	565

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	565	912
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)	565	912

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	93
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
Amounts in 6.1 relate to Director fees and employee salaries.		
<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>		

7.	FINANCING FACILITIES <i>NOTE: THE TERM "FACILITY" INCLUDES ALL FORMS OF FINANCING ARRANGEMENTS AVAILABLE TO THE ENTITY. ADD NOTES AS NECESSARY FOR AN UNDERSTANDING OF THE SOURCES OF FINANCE AVAILABLE TO THE ENTITY.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	28	28
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	Total financing facilities	28	28
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. Bank of Queensland insurance funding loan. Unsecured. Interest rate: 7.15% p.a. Matures on 30/8/2023 with fixed monthly repayments.		

8.	ESTIMATED CASH AVAILABLE FOR FUTURE OPERATING ACTIVITIES	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	375
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(728)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(353)
8.4	Cash and cash equivalents at quarter end (item 4.6)	565
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	565
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	1.60
	<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions: 8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not? Answer: No. No drilling has been conducted recently and exploration activity is currently reduced. Shareholder approval for the placement of shares to directors and related parties is scheduled for 5 May 2023 for A\$370k from the December 2022 capital raising. Additionally, Mexican tax refunds from past outstanding claims are expected to continue to be received throughout the next quarter with an additional ~A\$160k received in April 2023.	

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

Answer: The Company will rely on its existing cash resources and future capital raising (either debt and/or equity), including its ability to place securities under LR7.1 and LR7.1A to fund its current activities. The Company has a history of raising funds as required and believes further successful fundraising will be able to be completed.

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: In light of the above factors, the Company believes that it will have sufficient cash to fund its existing activities. The Company's Board and Management is focused on meeting its current objectives and confirm that it is in compliance with ASX Listing Rules, in particular, Listing Rule 3.1.

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:28 April 2023.....

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.