

## **MARCH 2024 QUARTERLY REPORT**

### **Highlights**

#### **Highlights for the March 2024 Quarter**

- Mithril confirmed firm commitments for a capital raising of \$4.03M with proceeds to be used for recommencement of drilling at its **high-grade Copalquin gold/silver project in Mexico** (drill rig on-site) and working capital.
- Mithril is intending to list on a North American securities exchange in 2024 and confirms it is in strategic discussions with various parties including listed precious metal producers and developers.
- Subsequent to the end of the quarter, Mithril held its AGM on 22 April 2024 with all resolutions passed at the meeting. Mithril is currently progressing discussions with the ASX in relation to a lifting of its trading suspension and will provide shareholders with an update in due course.

#### **Copalquin Project, Mexico**

- Continued geological mapping and rock chip channel sampling (using a portable rock saw) around the high-grade maiden JORC resource at El Refugio – La Soledad, identifying additional structures, veins, and historic workings in the advanced district target area.
- Work within the historical workings of El Refugio has opened up a previously unexplored level, leading to enhanced interpretation and the identification of future exploration opportunities within the upcoming drill program.
- With the drill rig currently on-site, the capital raising funds allow recommencement of drilling at the El Refugio-La Soledad target area to follow up previous high-grade intercepts (such as **CDH-077 8.26m @ 80.3g/t Au and 705g/t Ag from 468.3m**)<sup>1</sup> as well as test recently mapped structures to expand the current high-grade maiden JORC resource<sup>2</sup> at the district scale Copalquin project.
- Completing the review of the drill core relogging program has sharpened the focus on defined structures and lithological contacts, enhancing the interpretation and geological modelling efforts.

#### **Cash**

- At end of the March 2024 quarter, the Company had total cash of A\$0.115M, with net proceeds from the \$4.03M capital raising due into the Company account following ASX approval to recommence trading.
- The Company has received further Mexican VAT refunds during the quarter and expects VAT refunds for the current and future years to be received on a timely basis with the Mexican subsidiary company's continued compliance lodgement of its VAT claims.

Mithril Resources Ltd (ASX: MTH) (**Mithril** or the **Company**) is pleased to provide a quarterly update for the period ending 31 March 2024.

<sup>1</sup> See ASX Announcement [Mithril Drills 80.3 G/T Gold, 705 G/T Silver Over 8.26m](#) 12 July 2021

#### **DIRECTORS**

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

#### **MITHRIL RESOURCES LIMITED**

ACN: 099 883 922  
ASX: MTH

[www.mithrilresources.com.au](http://www.mithrilresources.com.au)

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## COPALQUIN GOLD-SILVER DISTRICT, MEXICO

With over seventy historic gold-silver mines and workings throughout 70km<sup>2</sup> of mining concession area, Copalquin is an entire mining district with high-grade exploration results and a maiden JORC resource. To date there are four interpreted hydrothermal upwelling zones in the district with one already hosting a high-grade gold-silver JORC resource at El Refugio (529koz AuEq @6.81 g/t AuEq)<sup>2</sup>. There is considerable strike and depth potential to increase the resource at El Refugio and at other target areas across the district.

With the district-wide gold and silver occurrences and rapid exploration success, it is clear the Copalquin District is developing into another significant gold-silver district like the many other districts in this prolific Sierra Madre Gold-Silver Trend of Mexico. These districts can host 1 – 5 million ounces of gold plus 50 – 100+ million ounces of silver.

- Geologic mapping around the high-grade maiden JORC resource at El Refugio – La Soledad has continued to progress and identifying additional structures, veins and historic workings at the most advanced district target area.
- The geologic mapping provides improved interpretation of important north-south trending structures, veins and faulting which are extensive at the Refugio-Cometa and La Soledad target area (and across the district) and assist with drill targeting/planning.
- Importantly, the collation of historic data and recent geologic mapping has provided improved interpretation of the north-south trending structures, veins and faulting which are extensive at the Refugio-Cometa and La Soledad target area and indeed across the district, interacting with the extensive east west low angle mineralised structure.
- Work inside the El Refugio historic workings provided access to a previously unexplored level of workings providing further interpretation with opportunities identified for the future exploration program.
- The completion of the drill core relogging program review provides improved focus on defined structures (faults, dykes, stockwork and quartz vein breccias) and lithological contacts for improved interpretation and geologic modelling.

Geologic mapping and rock chip channel sampling around the high-grade maiden JORC resource at El Refugio – La Soledad continued throughout the quarter, identifying new structures, veins and historic workings.

The Company has been trialling the use of a battery powered hand-held rock saw to provide rock chip channel samples from underground workings and surface structures with several dozen samples collected during the quarter. The assay final results from this program of work are expected May 2024 with plotting, interpretation and verification anticipated to support the next drill program planning.

<sup>2</sup> see 'About Copalquin Gold Silver Project' section for JORC MRE details and AuEq. calculation.

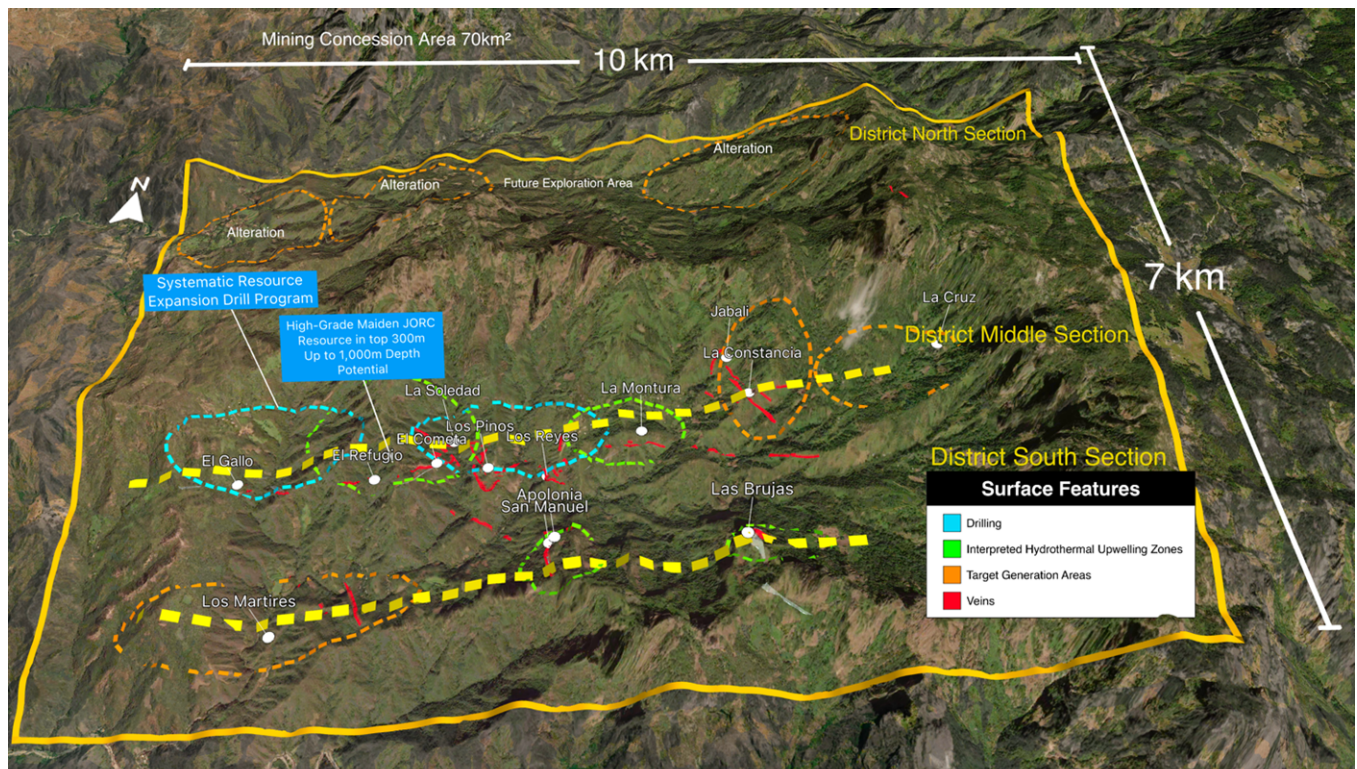


Figure 1 – Satellite image of the Copalquin Mining District 70km² concession area showing the two main lines of historic workings, areas of exploration work and the location of the maiden JORC MRE at El Refugio.

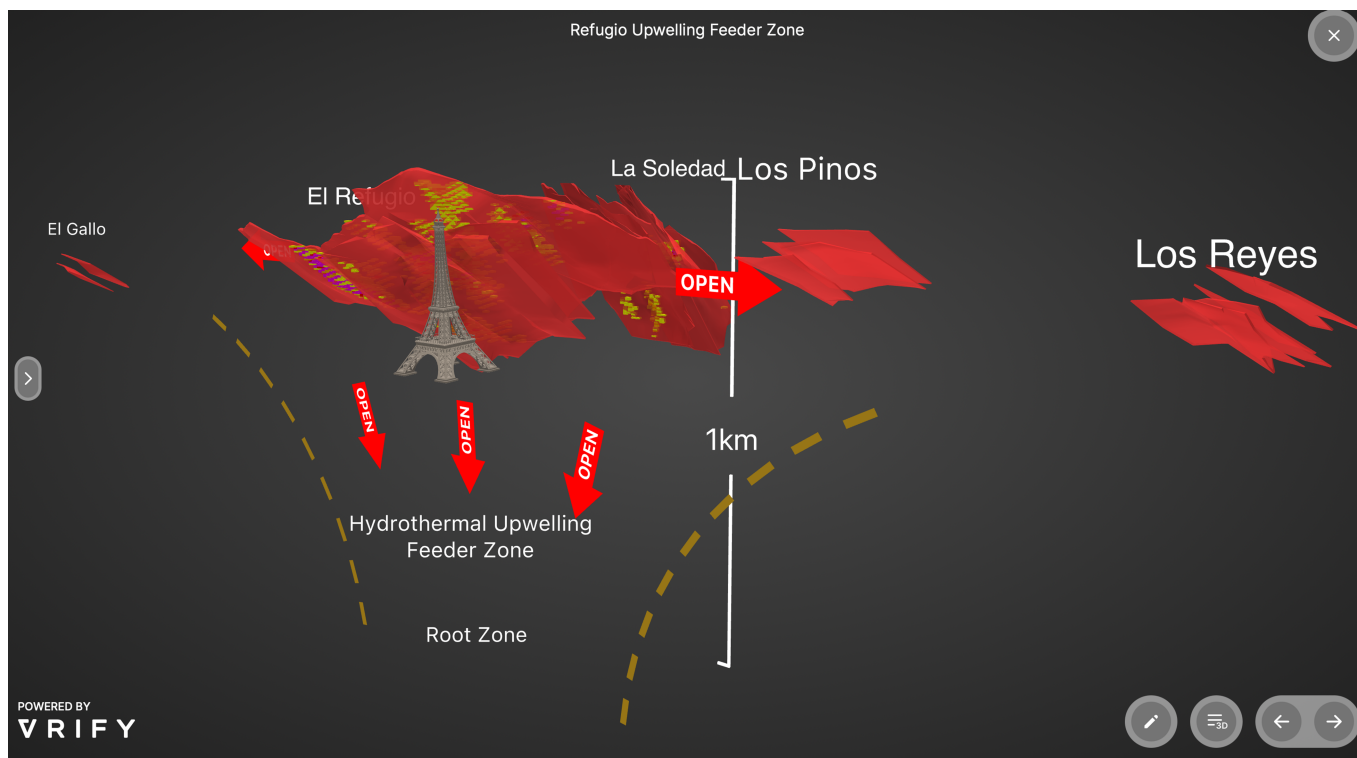


Figure 2 – 3D view of the El Refugio high-grade JORC resource area showing the projected depth potential for this target area in the district as well as the west (to El Gallo) and east (to Los Reyes) target areas where high-grade drill results to date give a total strike length of 5.5km along this middle section of the Copalquin District.

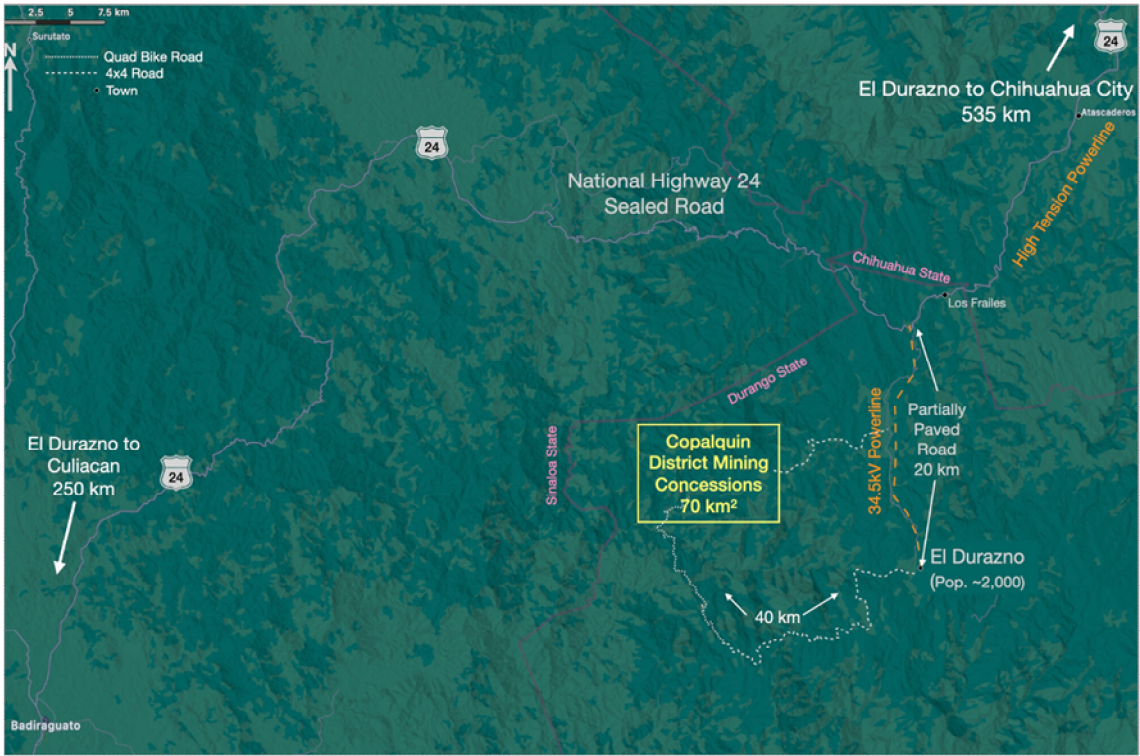


Figure 3 Copalquin District location and surrounding road access, major regional town of El Durazno and distances to cities. All-terrain vehicle track connecting to unsealed road with total length of 40 km between Copalquin and El Durazno.

Next Steps

During the quarter, the Company released an [Investor Presentation](#) which set out the roadmap for the Copalquin Project. Figure 4 provides a structured overview of the planned activities across different phases of the project, showing a progression from exploration and assessment to development and engagement with stakeholders.

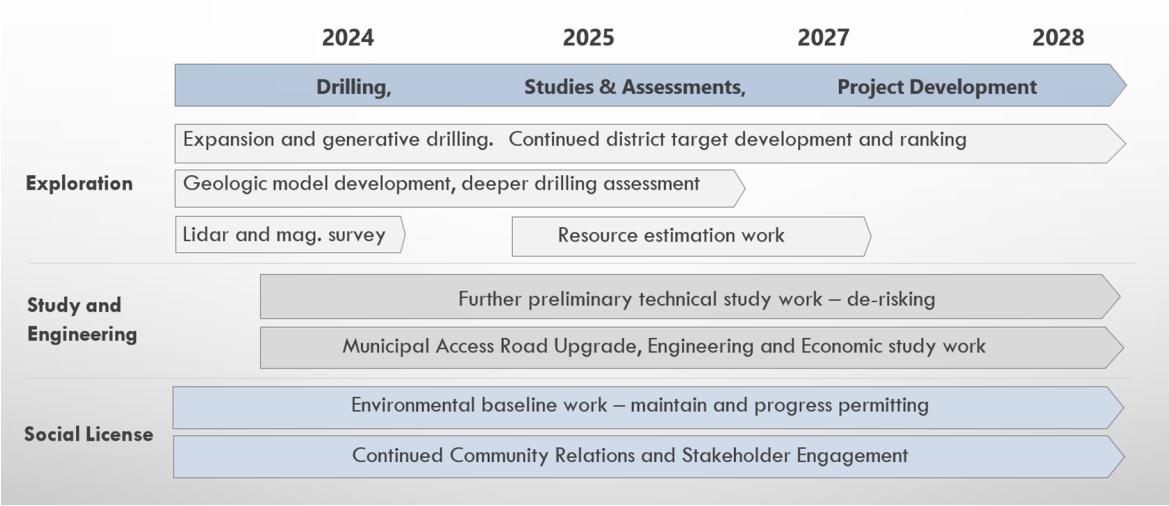


Figure 4 Copalquin Project Work Program and Go Forward Plan

The Work Program indicates strong newsflow in 2024/2025, centred on the advancement from initial drilling to more detailed geological assessment and resource estimation.

*Note: MTH currently owns 50% of the Copalquin Gold-Silver Project and pursuant to its option agreement, MTH 100% owned subsidiary, Drummond Gold S.A. de C.V. has the exclusive right to earn up to 100% of the Copalquin Gold-Silver Project mining*

*concessions. In order to exercise its rights to acquire up to 100% of the Project, MTH is required to pay CMC (Vendor) a cash payment of US\$10m which can be paid in either cash and/or shares up to August 2028.*

## CORPORATE

### Capital Raising

The Company completed a capital raising with professional and sophisticated clients of PAC Partners Securities Pty Ltd and Arlington Group Asset Management (the Joint Lead Managers) for an investment in the Company of up to \$4.03 million (before costs) through a Convertible Note and Placement Offer. This is in addition to the \$0.7m convertible notes previously issued and announced on 2 January 2024. The Directors of the Company have committed to subscribe for \$572,500 in the Placement (including conversion of a \$150,000 director loan plus interest). ([See ASX Announcement 5 March 2024.](#))

Post end of quarter, Mithril also obtained shareholder approval for a 1 for 100 capital consolidation. ([See ASX Announcement 22 April 2024.](#))

Mithril intends to progress a listing on a North American securities exchange in 2024 and confirms it is in strategic discussions with various TSX and TSXV listed precious metal producers and developers as well as promotor groups and investors.

### Convertible Note Offer Details

The Company successfully completed and received \$300,000 via the issue of convertible notes with a face value of \$1.00 each convertible into ordinary shares in the Company at a conversion price equal to the price set at the capital raising.

Each convertible note holder will be issued an additional 1,000 options to acquire a share in the Company for every \$1.00 raised. The options will have an exercise price of \$0.001 (pre-consolidation) and an expiry date of 3 years from the date of issue.

### Extension of Convertible Note Maturity Date

The Board advises that the convertible note holders have agreed to extend their convertible note maturity date by a further 1 month to allow sufficient time for completion of the placement and shareholder approval (which was received subsequent to the end of the quarter at the Company's AGM, 22 April 2024).

### Cash

At end of the March 2024 quarter, the Company had total cash of A\$0.115M, with net proceeds from the \$4.03M capital raising due into the Company account following ASX approval to recommence trading.

The company has received further Mexican VAT refunds during the quarter and expects VAT refunds for the current and future years to be received on a timely basis with the Mexican subsidiary company's continued compliance lodgement of its VAT claims.

### 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 2024, 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 2024 quarter, the Company continued to support 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.

## ABOUT THE COPALQUIN GOLD SILVER PROJECT

The Copalquin mining district is located in Durango State, Mexico and covers an entire mining district of 70km<sup>2</sup> 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)<sup>^</sup>.

- **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) |
|-------------------|--------------|--------------|-------------|--------------|--------------------|------------|---------------|--------------------|
| <b>El Refugio</b> | 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                |
| <b>La Soledad</b> | Indicated    | -            | -           | -            | -                  | -          | -             | -                  |
|                   | Inferred     | 278          | 4.12        | 228.2        | 7.38               | 37         | 2,037         | 66                 |
| <b>Total</b>      | 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                |
|                   | <b>TOTAL</b> | <b>2,416</b> | <b>4.80</b> | <b>141</b>   | <b>6.81</b>        | <b>373</b> | <b>10,953</b> | <b>529</b>         |

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.

<sup>^</sup> 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). Mithril has reached an agreement with the vendor for an extension of the payment date by a further 2 years (bringing the payment date to 7 August 2028).

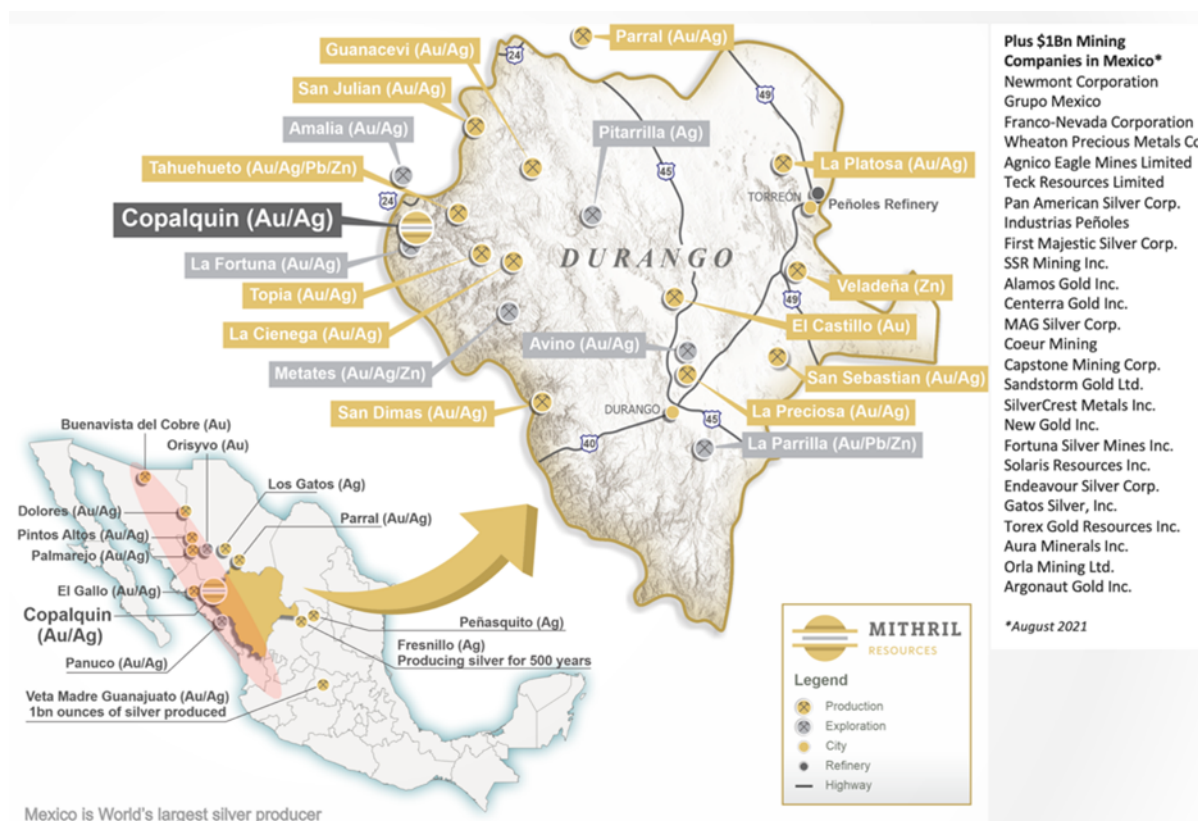


Figure 4 – Copalquin District location map with locations of mining and exploration activity within the state of Durango

-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 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 Ricardo Rodriguez who is Mithril's Project Manager. Mr Rodriguez is a Member of the Australasian Institute of Mining and Metallurgy. This is a Recognised Professional Organisation (RPO) under the Joint Ore Reserves Committee (JORC) Code.

Mr Rodriguez 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 Rodriguez 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 2024

#### Australian Interests:

| Mining Concession               | Tenement title 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 <sup>#</sup> |
| Lignum Dam Area                 | E27/582               | 100.00 <sup>#</sup> |
| Lignum Dam Area                 | E27/584               | 100.00 <sup>#</sup> |
| Murchison Area (Limestone Well) | E20/846               | 10.00               |
| Murchison Area (Limestone Well) | E57/1069              | 10.00               |

<sup>#</sup>The Lignum Dam tenements are under an earn-in agreement with Great Bolder Resources. Great Bolder has completed exploration expenditures to earn 51% interest in the tenements although this interest is not yet formally registered. Mithril is considering options to fully divest its interest in these tenements.

The Kurnalpi tenements are currently in good standing and Mithril is looking to farm-out or divest these tenements. Mithril continues to hold a 10% free carried interest in the Limestone Well tenements with Auteco Minerals.

#### 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            |

Mithril has currently owns a 50% interest in the Copalquin mining concessions and has an exclusive option to purchase the remaining 50% (bringing Mithril's ownership of the Copalquin mining concessions to 100%) by paying US\$10M to the vendor on or any time before 7 August 2026 (the due date for payment was initially 7 August 2023, and was extended by 3 years by written agreement between Mithril and the vendor). Mithril has reached an agreement with the vendor for an extension of the payment date by a further 2 years (bringing the payment date to 7 August 2028).

## 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 2024

| Consolidated statement of cash flows |                                                       | Current quarter<br>\$A'000 | Year to date<br>(9 months)<br>\$A'000 |
|--------------------------------------|-------------------------------------------------------|----------------------------|---------------------------------------|
| <b>1.</b>                            | <b>Cash flows from operating activities</b>           |                            |                                       |
| 1.1                                  | Receipts from customers                               |                            |                                       |
| 1.2                                  | Payments for                                          |                            |                                       |
|                                      | (a) exploration & evaluation                          |                            |                                       |
|                                      | (b) development                                       |                            |                                       |
|                                      | (c) production                                        |                            |                                       |
|                                      | (d) staff costs                                       | (64)                       | (186)                                 |
|                                      | (e) administration and corporate costs                | (137)                      | (307)                                 |
| 1.3                                  | Dividends received (see note 3)                       |                            |                                       |
| 1.4                                  | Interest received                                     |                            |                                       |
| 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 – GST/VAT refunds/(payments)                    |                            | 214                                   |
|                                      | Other – Mexico tax adjustments                        |                            | 121                                   |
|                                      | Other – Scheme implementation costs                   | (53)                       | (170)                                 |
| <b>1.9</b>                           | <b>Net cash from / (used in) operating activities</b> | <b>(255)</b>               | <b>(329)</b>                          |
| <b>2.</b>                            | <b>Cash flows from investing activities</b>           |                            |                                       |
| 2.1                                  | Payments to acquire or for:                           |                            |                                       |
|                                      | (a) entities                                          |                            |                                       |
|                                      | (b) tenements                                         |                            |                                       |
|                                      | (c) property, plant and equipment                     |                            | (1)                                   |
|                                      | (d) exploration & evaluation                          | (352)                      | (1,263)                               |
|                                      | (e) investments                                       |                            |                                       |
|                                      | (f) other non-current assets                          |                            |                                       |

| <b>Consolidated statement of cash flows</b> |                                                       | <b>Current quarter<br/>\$A'000</b> | <b>Year to date<br/>(9 months)<br/>\$A'000</b> |
|---------------------------------------------|-------------------------------------------------------|------------------------------------|------------------------------------------------|
| 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)                   |                                    |                                                |
| <b>2.6</b>                                  | <b>Net cash from / (used in) investing activities</b> | <b>(352)</b>                       | <b>(1,264)</b>                                 |

|             |                                                                                         |            |              |
|-------------|-----------------------------------------------------------------------------------------|------------|--------------|
| <b>3.</b>   | <b>Cash flows from financing activities</b>                                             |            |              |
| 3.1         | Proceeds from issues of equity securities (excluding convertible debt securities)       |            |              |
| 3.2         | Proceeds from issue of convertible debt securities                                      | 300        | 1,000        |
| 3.3         | Proceeds from exercise of options                                                       |            |              |
| 3.4         | Transaction costs related to issues of equity securities or convertible debt securities |            |              |
| 3.5         | Proceeds from borrowings                                                                |            | 150          |
| 3.6         | Repayment of borrowings                                                                 | (5)        | (16)         |
| 3.7         | Transaction costs related to loans and borrowings                                       |            |              |
| 3.8         | Dividends paid                                                                          |            |              |
| 3.9         | Other (provide details if material)                                                     |            |              |
| <b>3.10</b> | <b>Net cash from / (used in) financing activities</b>                                   | <b>295</b> | <b>1,134</b> |

|           |                                                                              |       |         |
|-----------|------------------------------------------------------------------------------|-------|---------|
| <b>4.</b> | <b>Net increase / (decrease) in cash and cash equivalents for the period</b> |       |         |
| 4.1       | Cash and cash equivalents at beginning of period                             | 423   | 569     |
| 4.2       | Net cash from / (used in) operating activities (item 1.9 above)              | (255) | (329)   |
| 4.3       | Net cash from / (used in) investing activities (item 2.6 above)              | (352) | (1,264) |
| 4.4       | Net cash from / (used in) financing activities (item 3.10 above)             | 295   | 1,134   |

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

| Consolidated statement of cash flows |                                                   | Current quarter<br>\$A'000 | Year to date<br>(9 months)<br>\$A'000 |
|--------------------------------------|---------------------------------------------------|----------------------------|---------------------------------------|
| 4.5                                  | Effect of movement in exchange rates on cash held | 4                          | 5                                     |
| 4.6                                  | <b>Cash and cash equivalents at end of period</b> | <b>115</b>                 | <b>115</b>                            |

| 5.  | Reconciliation of cash and cash equivalents<br>at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | Current quarter<br>\$A'000 | Previous quarter<br>\$A'000 |
|-----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|-----------------------------|
| 5.1 | Bank balances                                                                                                                                                        | 115                        | 423                         |
| 5.2 | Call deposits                                                                                                                                                        |                            |                             |
| 5.3 | Bank overdrafts                                                                                                                                                      |                            |                             |
| 5.4 | Other (provide details)                                                                                                                                              |                            |                             |
| 5.5 | <b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>                                                                                     | <b>115</b>                 | <b>423</b>                  |

| 6.                                                                                                                                                              | Payments to related parties of the entity and their associates                          | Current quarter<br>\$A'000 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|----------------------------|
| 6.1                                                                                                                                                             | Aggregate amount of payments to related parties and their associates included in item 1 | 64                         |
| 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> |                                                                                         |                            |

|           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                 |                                                    |
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| <b>7.</b> | <b>Financing facilities</b><br><i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i><br><i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <b>Total facility<br/>amount at quarter<br/>end<br/>\$A'000</b> | <b>Amount drawn at<br/>quarter end<br/>\$A'000</b> |
| 7.1       | Loan facilities                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 150                                                             | 150                                                |
| 7.2       | Credit standby arrangements                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                 |                                                    |
| 7.3       | Other - Insurance funding loan                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 48                                                              | 48                                                 |
|           | Convertible notes to be issued                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 1,000                                                           | 1,000                                              |
| 7.4       | <b>Total financing facilities</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <b>1,198</b>                                                    | <b>1,198</b>                                       |
| 7.5       | <b>Unused financing facilities available at quarter end</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                 | -                                                  |
| 7.6       | <p>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> <p>A director of the Company, Mr Garry Thomas, has provided a short-term, unsecured loan of up to \$150,000. An interest rate of 10% is charged and there is no set repayment date.</p> <p>Bank of Queensland insurance funding loan. Unsecured. Interest rate: 5.45% p.a. Matures on 30/12/2024 with fixed monthly repayments.</p> <p>On 2 January 2024, the Company completed the issue of 700,000 Convertible Notes with an interest rate of 18% per annum and a face value of \$1.00 each convertible into Ordinary Shares in the Company at a conversion price equal to the price set at the next equity capital raising. Cash proceeds were received prior to 31 December 2023 and recorded as borrowings on the Statement of Financial Position. On 5 March 2024, The Company completed and received \$300,000 from the issue of a further 300,000 Convertible Notes bringing the total funds raised to \$1 million before costs. Shareholder approval for the issue of the Convertible Notes occurred at the Annual General Meeting held on 22 April 2024. The maturity date is the earlier of four (4) months from the subscription date or settlement of the next capital; raising. Each Convertible Note holder will receive an additional 1,000 unlisted Options to acquire a Share in the Company for every \$1.00 raised. The Options have an exercise price of \$0.001 (pre-consolidation) and an expiry date of 3 years from the date of issue.</p> |                                                                 |                                                    |

|           |                                                                                                                                                                                                                                     |                |
|-----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| <b>8.</b> | <b>Estimated cash available for future operating activities</b>                                                                                                                                                                     | <b>\$A'000</b> |
| 8.1       | Net cash from / (used in) operating activities (item 1.9)                                                                                                                                                                           | (255)          |
| 8.2       | (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))                                                                                                                                            | (352)          |
| 8.3       | Total relevant outgoings (item 8.1 + item 8.2)                                                                                                                                                                                      | (607)          |
| 8.4       | Cash and cash equivalents at quarter end (item 4.6)                                                                                                                                                                                 | 115            |
| 8.5       | Unused finance facilities available at quarter end (item 7.5)                                                                                                                                                                       | -              |
| 8.6       | Total available funding (item 8.4 + item 8.5)                                                                                                                                                                                       | 115            |
| 8.7       | <b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>                                                                                                                                                       | 0.19           |
|           | <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> |                |

**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: The Company plans to recommence drilling at its Copalquin project during the next quarter resulting in increased expenditure, subject to 8.8.2, below.

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: Subsequent to the end of the quarter, the company has received shareholder approval to issue securities associated with the previously announced \$4.03m capital raising. Availability of the funds is subject to receiving ASX approval to recommence trading.

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: ...30 April 2024.....

Authorised by: ..The Board of Directors.....  
(Name of body or officer authorising release – see note 4)

## Notes

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