

SEPTEMBER 2022 QUARTERLY REPORT

HIGHLIGHTS

- Interpretation of existing geophysics data over South Australian projects identified emerging targets
- Reprocessing and interpretation of historical geophysical data identified multiple prospective AEM conductors in the core of the Yumbarra layered ultramafic intrusive, targeting nickel
- At Yumbarra a helicopter supported ground based gravity program over the AEM targets has been designed and awaiting permitting
- At the nearby Fowler Project interpretation of the existing geophysical data and design of a gravity survey is underway
- A number of new project opportunities have been presented to the Company and continue to be evaluated

Sandford Project, western Victoria

- All soil samples have been analysed with the handheld XRF; samples selected for more definitive laboratory assay
- Rare Earth Element, Vanadium/Cobalt and Zinc anomalism identified within the project area
- Zone of anomalous Rare Earth Elements across an approximately 18km x 4km area, with potential to expand around other smaller anomalous zones adjacent to larger central zone
- Samples sent for assay and plans for a closer spaced follow-up soils program are underway

Corporate

- The Company has cash reserves as at 30 September 2022 of \$4.251m
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Osmond Resources Limited (ASX:OSM) (**Osmond** or the **Company**) is pleased to provide shareholders with the Company's Quarterly Activities Report for the period ending 30 September 2022.

Several highly prospective targets emerged from the ongoing review of the reprocessing and modelling of existing AEM and magnetic data. ([ASX Announcement 19 September 2022](#)) Osmond have been able to access high quality and detailed airborne and ground geophysics data, which includes 100m and 40m

flight line Magnetic and Radiometric data, 200m flight line Airborne Electro-Magnetic data, broad spaced gravity and high resolution Gradient Array IP survey data. These have been used to create an integrated 3D inversion model of the Yumbarra Project Area (Figure 1).

The Company engaged experienced geophysical consultant, David McInnes, to undertake a review of all available geophysical data across the South Australian tenements. Magnetic and conductive anomalies have been identified in locations, inferred to be the basal contact of the ultra-mafic intrusive. Other significant conductors are located in the demagnetised core and hinge zones of the ultramafic complex.

A detailed 915 station helicopter supported ground based gravity program (Figure 2) has been designed to cover the **Yumbarra Project Area** to aid in basement lithological and structural interpretation and to identify any potential dense metallic sulphide deposits. The spacing of the gravity stations will range from 250m to 1,000m. This will significantly improve the resolution versus the existing 7km spaced stations.

The gravity survey is scheduled for later in 2022, pending regulatory approvals, which are currently in process. . The survey will take approximately 4 weeks to complete.

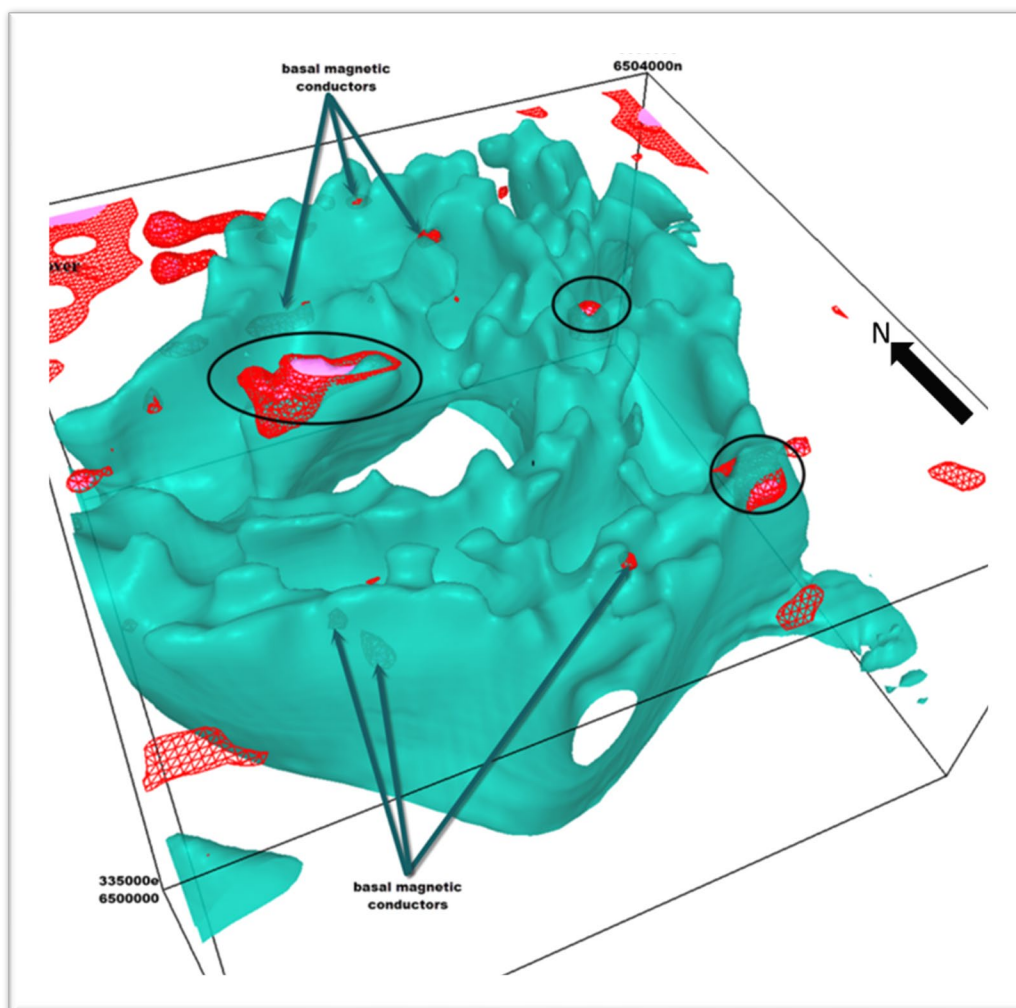


Figure 1 – Magnetic model susceptibility shell (0.1 SI units) defining the layered ultramafic magnetic units. Circled AEM anomalies are in demagnetised core zone and hinges of the complex. Also identified are high priority potential sulphide sourced basal contact conductors.

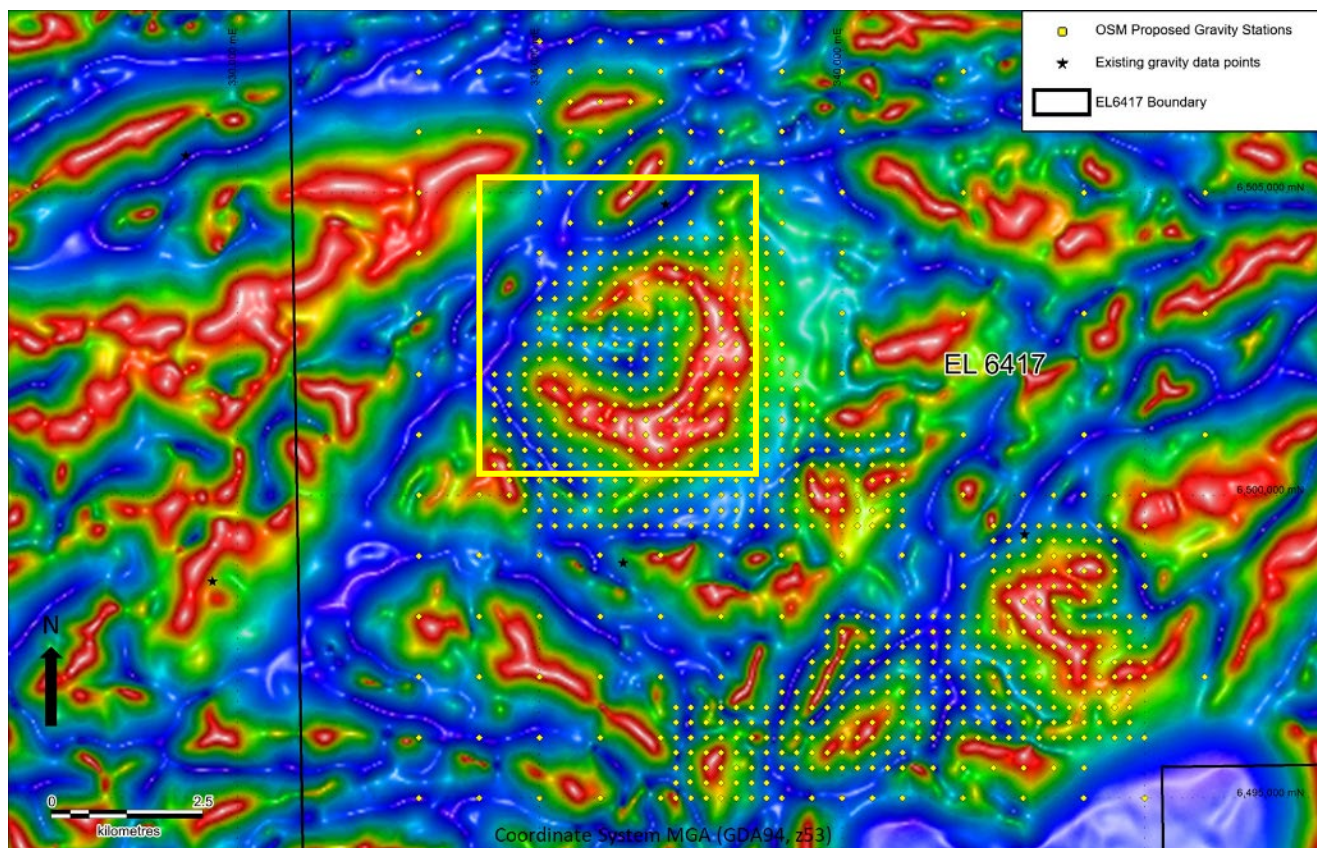


Figure 2 – Proposed gravity program over the Yumbarra Prospect, EL6417. (Image background Magnetic RTP). Yellow square highlights bounds of Figure 1

At the **Fowler Project** (Figure 3) preliminary findings of the ongoing geophysical review has identified a strong coincident gravity and magnetic anomaly located in the northern area of tenement EL6604 on the same trend as IGO Limited (ASX:IGO) nickel prospect Mystic.

EL6604 is one of the two tenements held by Osmond in JV with Kimba Minerals Pty Ltd. A follow up program of detailed ground based gravity is currently being designed and expected to occur in fourth quarter 2022 or first quarter 2023 depending on contractor availability.

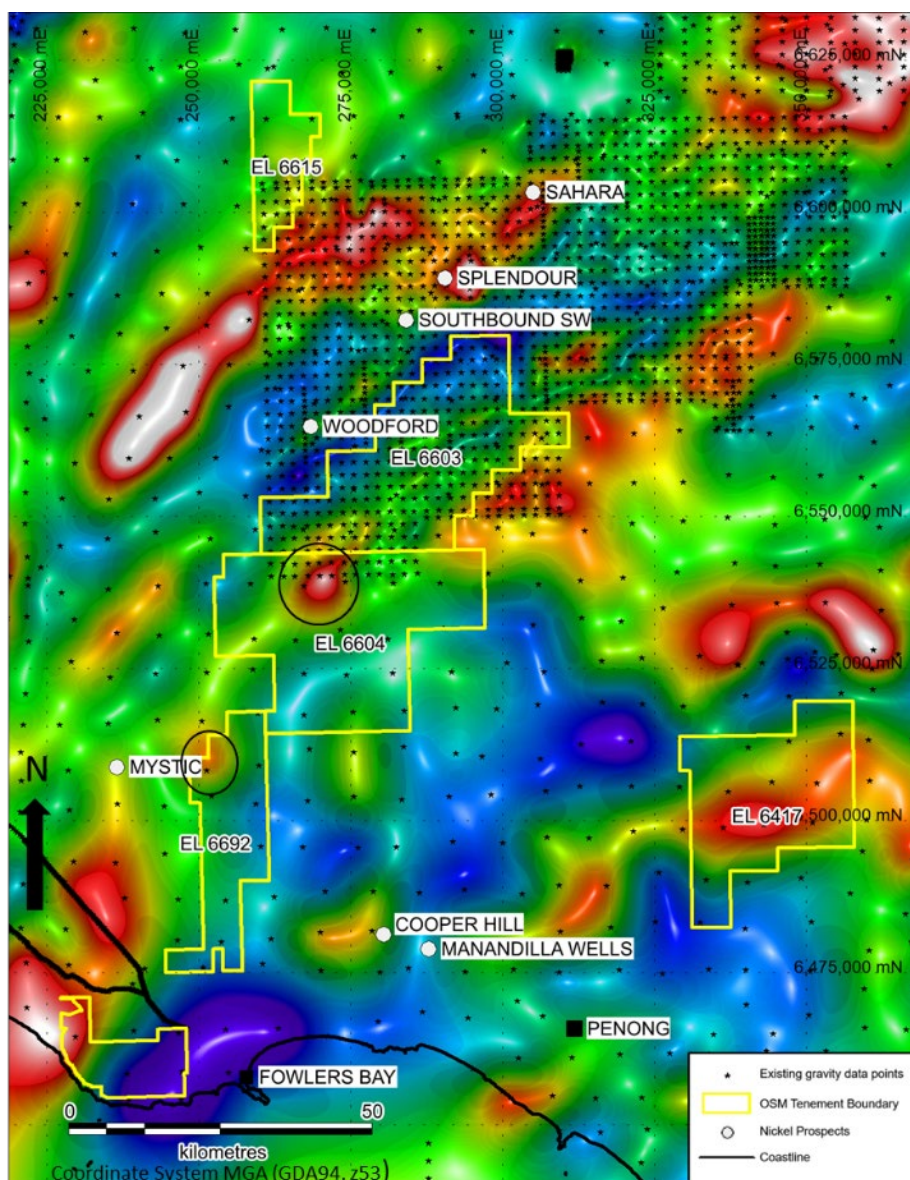


Figure 3 – Residual Gravity image showing gravity data station density (black stars) and local Nickel Prospects. Priority targets areas are circled.

Post end of quarter, the Company provided an update on its recent exploration activities at the **Sandford Project**, EL6958, located in Victoria. ([ASX Announcement 7 October 2022](#)) Rare Earth Element (REE), Cobalt/Vanadium and Zinc anomalies have been identified through handheld XRF (pXRF) analysis of soil samples taken in our recent regional sampling program. *Geochemical analysis by pXRF should be considered as a preliminary indication only and subject to confirmation by laboratory assay. Results from pXRF analysis can vary significantly from laboratory assay.*

During August and September this year, the soil samples collected across our tenement were dried, sieved to sub 2mm fraction and analysed with the pXRF. A main central zone of anomalous Rare Earth Elements measuring approximately 18km long by 4km wide was identified from the analysis. (see Figure 4).

The nature of the REE mineralisation is yet to be confirmed or understood, however at this early stage the anomalism appears to be associated with the Jurassic aged trachytic and phonolitic lava flows of Dens Hill Formation and overlying sediments. It is reasonable to expect that the overlying sediments of the Cretaceous aged Eumeralla Formation may obscure a significant portion of the Dens Hill Formation within the Sandford Project Area and provide the potential for a much larger footprint for REE accumulations.

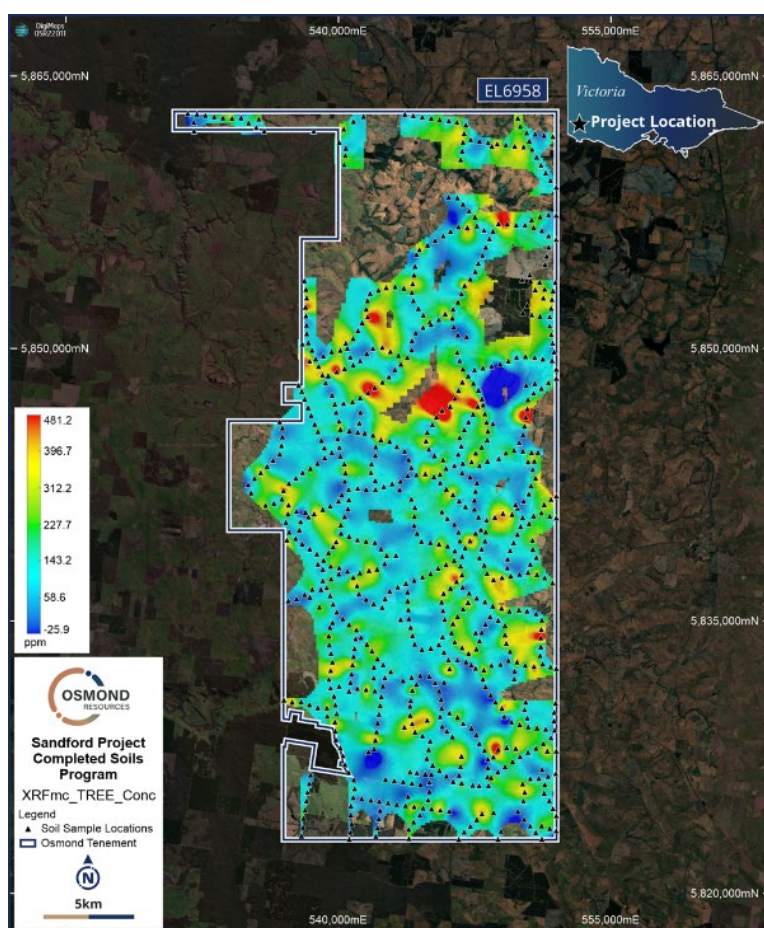


Figure 4 - Sandford soil samples coloured by TREE pXRF results

In addition to the highly encouraging REE pXRF results, the results have identified a Cobalt-Vanadium anomaly, presumably associated with the mafic volcanics, and discrete but significantly anomalous Zinc, adding to the diverse prospectivity of the region (see Figure 5, and Figure 6).

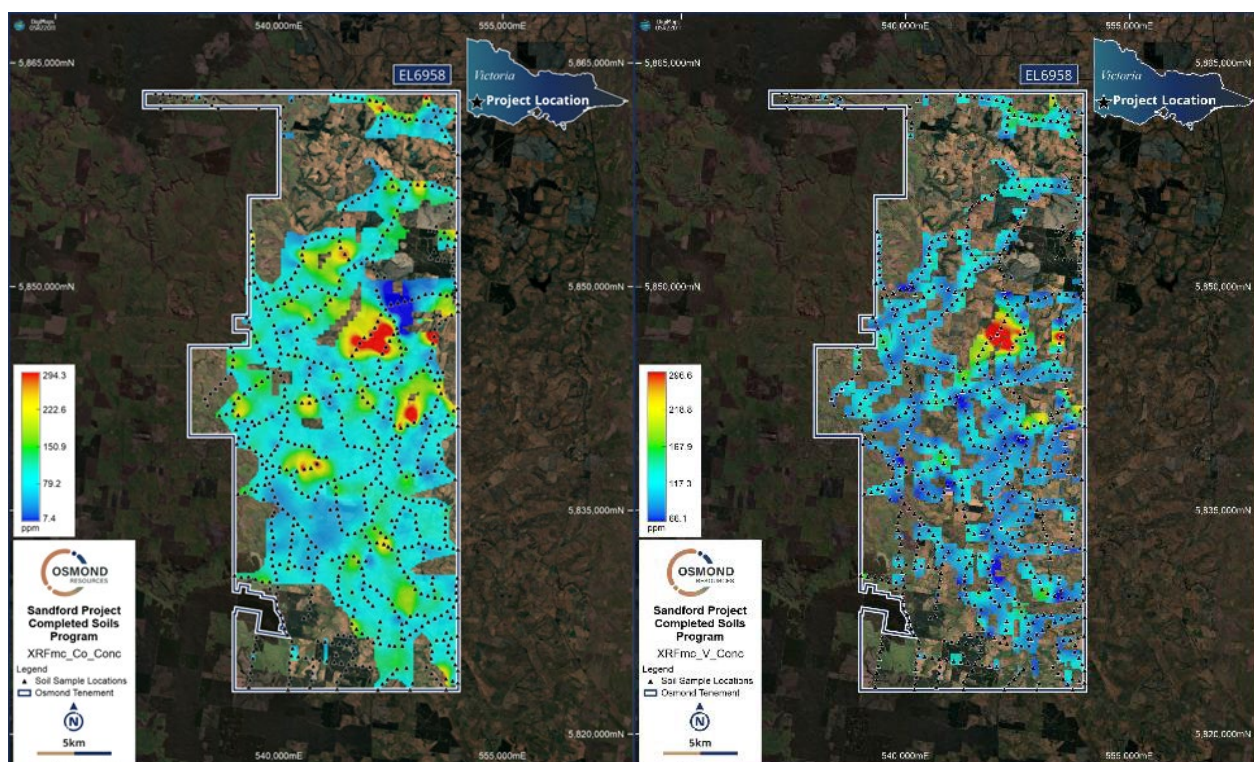


Figure 5 - Cobalt (left) and Vanadium (right) soil sample pXRF results

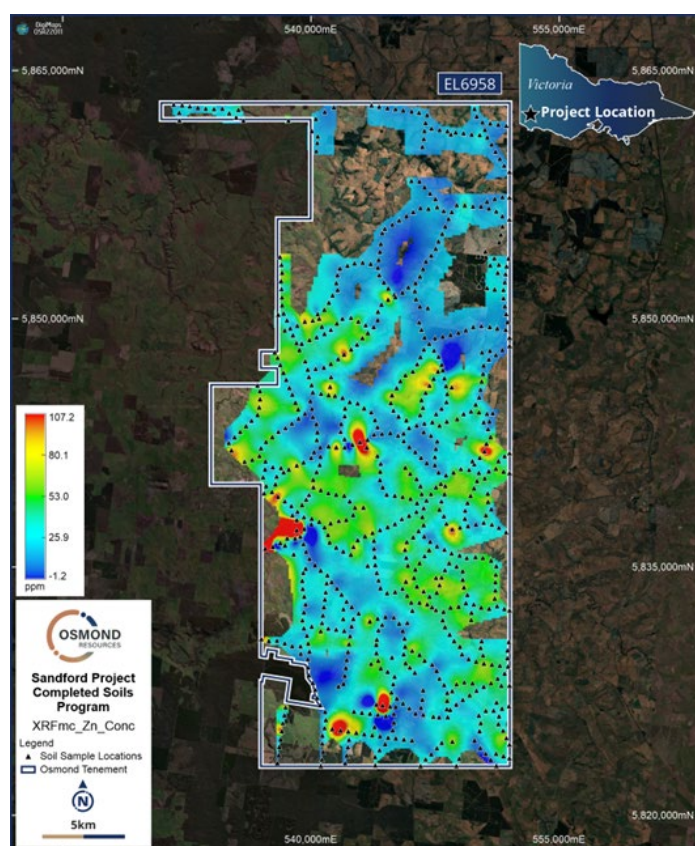


Figure 6 - Zinc soil sample pXRF results

The Company is preparing the samples for dispatch to the laboratory for assay. Should the laboratory assays confirm the anomalism in rare earths and other metals, Osmond will follow up with a detailed soil sampling and mapping program to define the extent of the anomalism.

Cash

The Company has cash reserves as at 30 September 2022 of \$4.251m.

Related Party Payments

In line with its obligations under ASX Listing Rule 5.3.5, the Company has advised in the Appendix 5B for the period ended 30 September 2022, that the only payments to related parties of the Company pertain to payments to Directors for fees, salary and superannuation.

Statement of Commitments

The current quarter is covered by the Statement of Commitments outlined in the [Prospectus released on 20 April 2022](#).

A summary of expenditure to date is outlined below:

The current quarter is covered by the Statement of Commitments (i) outlined in the Prospectus released on 20 April 2022. A summary of expenditure is outlined below:

	Expenditure up to the Qtr ended 30 Sept 2022 (\$'000)	Expenditure described in Use of Funds in Prospectus (\$'000)
Year 1		
Exploration expenditure	258	1,121
General administration and working capital	272	877
Estimated expenses of the Offers	378	717
	<u>908</u>	<u>2,715</u>
Year 2		
Exploration expenditure		1,990
General administration and working capital		907
		<u>2,897</u>

(i) The above table is a statement of current intentions. Investors should note that the allocation of funds set out in the above table may change depending on a number of factors. In light of this, the Board reserves the right to alter the way the funds are applied.

ASX Announcement

7 OCTOBER 2022



-Ends-

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

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ABOUT OSMOND RESOURCES

Osmond Resources Limited is a mineral and exploration company committed to increasing shareholder wealth through the exploration, development and acquisition of mineral resource projects.

Osmond was formed with the purpose of assembling a portfolio of projects predominantly located in the Gawler Craton region of South Australia and the Glenelg structural zone of western Victoria. (Please refer to maps below.) Since its incorporation, the Company has secured agreements in respect of a number of tenements that are considered highly prospective for gold, copper, nickel and REE. The Company is excited by recent exploration successes in these frontier areas for gold and base metals.

Osmond has entered into acquisition agreements in South Australia, with Fowler Resources Pty Ltd (Fowler) for exploration tenements EL6417 (Yumbarra Tenement), EL6615 (Tallacootra Tenement) and EL6692 (Coorabie Tenement) and with Kimba Resources Pty Ltd (Kimba) (being a wholly-owned subsidiary of ASX-listed Investigator Resources Pty Ltd (Investigator)) for EL6603 and EL6604 (together, the Fowler Tenements); and in Victoria with Providence Gold and Minerals Pty Ltd (Providence), for EL6958 (Sandford Tenement).

PROJECTS

The Fowler Domain Projects straddle the boundary of this geological domain in far western South Australia. These major crustal scale domain bounding structures that traverse the tenements have potential to host structurally upgraded magmatic Ni-Cr-Cu-PGE; layered intrusive-hosted Ni-Cr-PGE; IOCG (Hiltaba Suite) deposits; intrusion-related (Tunkillia-type) Au; and orogenic Au. While the proximity of the Fowler Domain Projects to nearby mineral occurrences is no guarantee that it will be prospective for an economic reserve, recent discoveries by Western Areas Limited (ASX:WSA) in the Fowler Domain have indicated the nickel-copper sulphide pedigree of the region.

The Yumbarra Project located in the Nuyts Domain of the Gawler Craton contains a highly magnetic feature that is interpreted as a layered ultramafic intrusive. Historical drilling has reported a best intersection of Ni-Co anomalism in basement drilling of 1357 ppm Ni and 1066 ppm Co (further details provided on page 46 and 78 of the Independent Geologist Report in the Osmond Prospectus). There are also identified electromagnetic surveying targets yet to be drilled on this target.

The Sandford Project located in western Victoria is considered prospective for Avebury-style nickel; SEDEX base metals; porphyry Cu-Au; porphyry Mo-Au; (R)IRGS style deposits; and orogenic Au deposits related to major structures that pass through the tenement. In addition, rare earth element (REE) potential is recognised within the tenement, for clays developed at the base of the extensive duricrusts that formed from the deep weathering of basement granitoid bodies with elevated REE concentrations. Initial targeting on the Sandford Project has commenced and will seek to identify prospective regions for the formation of the REE hosted clays and also base and precious metal occurrences.

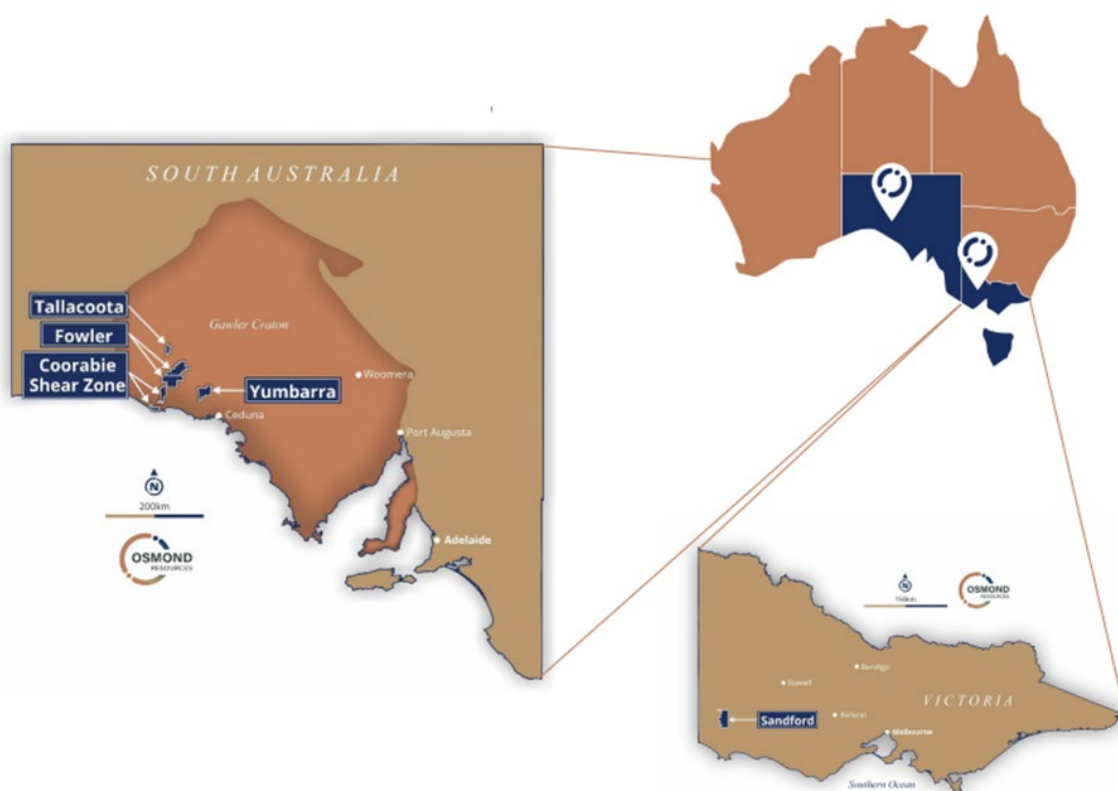


Figure 7 - Osmond Resources Projects

Competent Persons Statement

The information in this report that relates to Mineral Resources is based on information compiled by Mr Charles Nesbitt. Mr Charles Nesbitt is a full-time employee of Osmond Resources Ltd. Mr Charles Nesbitt has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2012 edition of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC code). Mr Charles Nesbitt consents to the inclusion of this information in the form and context in which they occur.

Tenement Schedule

In accordance with ASX Listing Rule 5.3.3, Osmond Resources Limited provides its list of exploration licences with its September quarterly activities report (as at 30 September 2022).

Project	Licence	Location	Status	Area (km ²)
Yumbarra	EL6417	South Australia	Granted	669
Tallacoota	EL6615		Granted	210
Fowler	EL6603		Granted	899
	EL6604		Granted	979
Coorabie Shear Zone	EL6692		Granted	607
Sandford	EL6958	Victoria	Granted	591



Appendix 5B

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

Name of entity

OSMOND RESOURCES LIMITED

ABN

96 649 477 734

Quarter ended ("current quarter")

30 SEPTEMBER 2022

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities			
1.1 Receipts from customers			
1.2 Payments for			
(a) exploration & evaluation – including assessing new projects		(25)	(25)
(b) development			
(c) production			
(d) staff costs (not included above)		(45)	(45)
(e) administration and corporate costs		(57)	(57)
1.3 Dividends received (see note 3)			
1.4 Interest received			
1.5 Interest and other costs of finance paid			
1.6 Income taxes paid			
1.7 Government grants and tax incentives			
1.8 Other			
1.9 Net cash from / (used in) operating activities		(127)	(127)
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		(143)	(143)
(e) investments			
(f) other non-current assets			

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) investments		
	(e) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other – Bank guarantee deposit	(50)	(50)
2.6	Net cash from / (used in) investing activities	(193)	(193)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities		
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	Net cash from / (used in) financing activities		

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	4,571	4,571
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(127)	(127)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(193)	(193)
4.4	Net cash from / (used in) financing activities (item 3.10 above)		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	4,251	4,251

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	1,251	4,571
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other – short term deposits	3,000	
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	4,251	4,571

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	68
6.2	Aggregate amount of payments to related parties and their associates included in item 2	30
Payments in 6.1 and 6.2 relate to Director fees and 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>		

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

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities		
7.2 Credit standby arrangements		
7.3 Other (please specify)		
7.4 Total financing facilities		
7.5 Unused financing facilities available at quarter end		
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(127)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(143)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(270)
8.4 Cash and cash equivalents at quarter end (item 4.6)	4,251
8.5 Unused finance facilities available at quarter end (item 7.5)	
8.6 Total available funding (item 8.4 + item 8.5)	4,251
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	15.74
<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: N/A	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	

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

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: N/A

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:26 October 2022.....

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.