

## ASX ANNOUNCEMENT

30 JANUARY 2024

## DECEMBER 2023 QUARTERLY ACTIVITIES REPORT

## Operations Highlights

## Bramaderos Gold-Copper Project, Ecuador (Sunstone 87.5%)

- **Large Exploration Target (details below) shows Limon on track to be a substantial gold-silver deposit, providing Sunstone with potential future early development options.**
- **Exceptional results from Limon continued during the quarter, significantly enhancing the quality of the shallow, wide, high-grade gold-silver deposit. Significant intersections in the central shoot to date at Limon include:**
  - 269m at 1.05g/t AuEq\* from 74m in LMDD040, including 124m at 1.93g/t AuEq\* from 190m
  - 180.1m at 0.96g/t AuEq from 6m in LMDD038
  - 243m at 1.32g/t AuEq\* from 46m in LMDD030
  - 185m at 2.85g/t AuEq\* from 90m in LMDD026, including 31m at 12.93g/t AuEq\* from 146m
  - 176.7m at 1.09g/t AuEq\* from 6.8m in LMDD017
- **Outstanding results from trenches LM-04, LM-05, and LM-06, up to 900m from the Central Shoot at Limon, including:**
  - 7.1m @ 3.0 g/t gold, and 2.8 g/t silver in ENE trending epithermal veins in LM-04
  - 18m at 4.8g/t gold and 6.1g/t silver, including a peak result of 2m at 32.9g/t gold and 29.5g/t silver in LM-05, and 7.9m at 3.2g/t gold and 8.9g/t silver, also in LM-05 and open at the end of trench
  - 2.0m at 5.9g/t gold and 1.0g/t silver in LM-06
- **The results above are outside current Brama-Alba resource and Exploration Target estimates and support the strategy to establish higher-grade open pit opportunities within a targeted 10Moz Bramaderos project**

## El Palmar Copper-Gold Project, Ecuador (Sunstone 70%, to acquire 100%)

- **An extensive gold-silver opportunity was identified next to the El Palmar porphyry deposit. Surface sampling returns up to 6.2g/t gold and 269g/t silver from the epithermal vein zone. The target is along strike from the T1 porphyry gold-copper deposit at El Palmar**
- **This system of epithermal veins is mapped over an area of 600mx600m and is consistent with a belt of high-grade gold occurrences identified from El Palmar to Sunstone's Verde Chico project, 4km to the south-west**

## Corporate Highlights

The Company's available cash position and tradeable equity investments for 31 December 2023 was ~A\$4.9 million (\$4.7m cash and \$0.2m equities).

Sunstone released its inaugural Sustainability Report during the December quarter. This document marks an important milestone in Sunstone's efforts to provide greater transparency regarding our environmental, social and governance (ESG) performance. More significantly, it serves as a benchmark against which we can identify opportunities for improvement and measure future progress.

Mr Patrick Duffy was appointed as a new, independent Non-Executive director of the Company on 8 November 2023. Mr Duffy is a Chartered Accountant with extensive international leadership, mine development, financial and governance expertise.

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### Ecuador

Sunstone notes press reports of some social unrest in Ecuador related to a significant government crackdown on the transport of drugs from neighbouring countries. This unrest has not impacted Sunstone's activities and work continues as planned.

Of relevance, Ecuador's largest gold producer Lundin Gold (2023 gold production in excess of 480,000 oz), announced on 11 January 2024 that the company would be undertaking its largest ever exploration program in Ecuador in 2024. Sunstone notes that other exploration companies remain active, permits to advance these projects are being issued by the new government, and more advanced projects such as Warintza (Solaris), and Cangrejos (Lumina Gold) are attracting strategic investments.

### EXPLORATION AND DEVELOPMENT ACTIVITIES

#### **Bramaderos Gold-Copper Project**

The Bramaderos Project is ideally located immediately adjacent to the Pan American highway in southern Ecuador (see Figures 1 and 2), and within a reasonable distance of available hydroelectric power, supporting the economics of potential future development opportunities. The project has gentle topography with an average elevation of around 1,100m above sea level and is also supported by nearby commercial airports and significant population centres such as the city of Loja. The project has strong community support.

#### **Limon Exploration Target**

During the December quarter Sunstone continued to deliver outstanding gold and silver assays from Limon, which shows Limon is on track to be a substantial gold-silver deposit.

The Limon gold-silver epithermal discovery has moved from discovery to Exploration Target in less than 10 months. The epithermal system was first identified in hole LMDD012 drilled in January 2023. The discovery hole for the Limon gold-silver epithermal system was hole LMDD017 which intersected 176.7m at 1.1g/t AuEq\* (0.97g/t gold and 10.1g/t silver), from 6.8m, and was drilled in February 2023. An Exploration Target for Limon (see ASX release dated 9 November 2023) has been prepared and reported in accordance with the JORC Code (2012) and consists of **between approximately 30 and 44 million tonnes at a grade of between 0.9 and 1.2g/t AuEq\*, for between 0.9 and 1.7mill oz AuEq**. The AuEq calculation for Limon is provided below and comprises contribution from gold and silver only.

The potential tonnage, grade and quantity of the Exploration Target is conceptual in nature. There has been insufficient exploration to estimate a Mineral Resource for the target area reported. It is uncertain if further exploration will result in the estimation of a Mineral Resource.

There is now abundant evidence to demonstrate that Limon has every potential to deliver a significant standalone operation or a starter pit opportunity for the large-tonnage Bramaderos gold-copper-silver porphyry development. The Limon epithermal gold and silver deposit is not included in the December 2022 2.7Moz AuEq Brama-Alba Mineral Resource estimate (see Table 1 below) or the 3.3 – 8.6Moz AuEq Exploration Target at Bramaderos (see ASX release dated 13 December 2022).

The Limon deposit sits adjacent to and above the Limon porphyry target. Drill hole LMDD010 drilled what is interpreted to be a shallow finger of a much larger porphyry system. It intersected 79m at 0.52g/t gold, 0.195 copper and 9.4g/t silver below a trench that returned 98m at 0.71g/t gold and 0.23% copper. The very large compelling porphyry target, interpreted to sit below these shallow ISE intersections, is expected to be drilled in 2024.

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**Table 1:** Brama-Alba Mineral resource estimate.

JORC Classification	Tonnage (Mt)	Au (g/t)	Cu (%)	Ag (g/t)	AuEq (g/t)	AuEq (Mozs)
Indicated	9	0.38	0.09	1.1	0.53	0.2
Inferred	147	0.35	0.11	1.3	0.53	2.5
<b>Total</b>	<b>156</b>	<b>0.35</b>	<b>0.11</b>	<b>1.3</b>	<b>0.53</b>	<b>2.7</b>

- Due to the effect of rounding, the total may not represent the sum of all components

-- A reporting cut-off grade of 0.3 g/t AuEq was adopted.

--- Metal equivalent recovery assumptions are supported by metallurgical test work.

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 for the Mineral Resource estimate and Exploration Target referred to above and, that all material assumptions and technical parameters underpinning the estimates 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.

\*The gold equivalent calculation formula for the MRE and the Exploration target is  $AuEq(g/t) = (Au \text{ grade} \times Au \text{ price} \times Au \text{ recov} / 31.1035) + (Ag \text{ grade} \times Ag \text{ price} \times Ag \text{ recov} / 31.1035) + (Cu \text{ grade} \times Cu \text{ price} \times Cu \text{ recov} / 100) / (Au \text{ price} \times Au \text{ recov} / 31.1035)$ . The prices used were US\$1,800/oz gold and US\$9,500/t copper and US\$22/oz silver. Recoveries are estimated at 89% for gold, 85% for copper, and 60% for silver based on metallurgical studies. In Sunstone's opinion all the elements included in the metal equivalents calculation have reasonable potential to be recovered and sold.

\*The gold equivalent calculation formula for the gold-silver epithermal mineralisation at Limon is  $AuEq(g/t) = Au(ppm) + (Ag(ppm)/82)$ . The prices used were US\$1,800/oz gold and US\$22/oz silver. Recoveries are estimated at 90% for gold and 90% for silver from metallurgical studies. In Sunstone's opinion all the elements included in the metal equivalents calculation have reasonable potential to be recovered and sold.

### Limon Exploration Results

Significant results from Limon during the quarter include drill hole LMDD040 which produced an outstanding 269m-long intersection of 1.05g/t AuEq\* (see ASX release dated 18 October 2023), including peak assays of 66g/t gold and 898g/t silver at 283-284m. The hole was drilled at right angles to many of the previous holes and therefore has a significant impact on the scale of the high-grade Limon gold-silver mineralisation. The lateral scale of the central shoot at Limon is currently more than 100m with a vertical extent of at least 250m (Figures 3-5). The central shoot is in turn, based on drilling to date, surrounded by additional multiple mineralised structures, with significant grade, over an extent of at least 800m x 300m (Figures 5 and 6; see ASX announcement dated 12 October 2023).

Results from other holes continue to define and expand the central shoot including intersections of 180.1m at 0.96g/t AuEq\* in LMDD038, while results from LMDD039 define multiple mineralised structures well to the southeast of the main drilling area and open this domain for further drilling and discovery of extensions of mineralised structures.

High-grade gold exploration results were released during the quarter from trenching almost 1km away from the main mineralised zone, but still within, the Limon epithermal discovery. The results indicate that Limon, which has already been established as a significant discovery, could be a very large system by global standards with shallow, high-grade mineralisation (see ASX announcement dated 19 December 2023).

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It is now clear that there is epithermal gold mineralisation in many areas within the 1.7km x 700m Limon alteration zone.

Trench LM-04 intersected multiple intervals of epithermal mineralisation, with the best mineralised interval being 7.13m at 3.01g/t gold and 2.8 g/t silver.

Trench LM-05 intersected very high-grade gold and silver of 2.0m at 32.9g/t gold and 29.5g/t silver within a broad interval of 18m at 4.8g/t gold and 6.1g/t silver, and another interval which remains open at the west end of the trench of 7.9m at 3.2g/t gold and 8.9g/t silver.

Trench LM-06 intersected 2.0m at 5.9g/t gold and 1.0g/t silver. Trench LM-06 also has other intervals of anomalous silver indicating other targets along its length and it is also open on its eastern end.

In addition, surface rock chip sampling located 1km west of the Central Shoot, has returned an assay of 5.05g/t gold and 5.36 g/t silver. One previous sample in this area also returned 3.63g/t gold and 3.19g/t silver.

### **El Palmar Porphyry Copper-Gold Project**

El Palmar is located in northern Ecuador, 60km north-west of Ecuador's capital Quito (see Figures 1 and 6) Sunstone is acquiring 100% of the El Palmar project and currently holds 70% under the Staged Acquisition Agreement signed on 12 August 2020.

During the December Quarter Sunstone announced that it had identified a large high-grade gold-silver target with significant potential at El Palmar.

Surface sampling has identified the outcropping, well-mineralised epithermal gold-silver opportunity which has been interpreted to cover a large area of at least 600m by 400m.

Channel and rock chip sampling have returned values up to 6.2g/t gold and 269g/t silver (see ASX release dated 23 November 2023). Areas of higher-grade gold and silver correlate with linear areas of mapped argillic alteration (Figures 7 and 8) that indicate a structurally-controlled system with multiple target areas across a large area. The epithermal system located northwest of T1 occurs along NW- and NE-trending faults.

### **Verde Chico Project**

Sunstone is acquiring the Verde Chico Project through a Staged Acquisition Agreement (signed on 23 September 2022). Verde Chico is located to the west of Sunstone's El Palmar gold-copper porphyry discovery in northern Ecuador, and quadruples Sunstone's land position to 3,672ha in this prospective belt in northern Ecuador (see Figures 1 and 6).

Exploration by Sunstone commenced at the Verde Chico project, which is located approximately 4km west of El Palmar. Initial exploration at Verde Chico has included a program of rock chip sampling and stream sediment sampling, along with formal community agreements and environmental baseline surveys. Further soil sampling, geological mapping and rock chip sampling have commenced.

## CORPORATE

The Company's unaudited cash position for 31 December 2023 was approximately A\$4.7 million, and the value of tradeable equity investments was approximately A\$0.2 million. The Quarterly Cashflow Report (Appendix 5B) for the period ending 31 December 2023 provides an overview of the Company's financial activities.

Exploration expenditure for the reporting period was \$4 million (September quarter \$4.7 million).

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**Low cost surface sampling is underway at all projects to prepare for the next phase of drilling with costs being actively managed and expected to be lower in future quarters.**

Corporate and other expenditure (including property, plant, and equipment) amounted to \$0.85 million. The total amount paid to directors of the entity and their associates in the period (item 6.1 of the Appendix 5B) was \$223,775 and includes salary, superannuation, and directors' fees.

As at 31 December 2023, the 290,601 shares (following a 1:3 share consolidation from 871,803 shares) held in Canadian Securities Exchange-listed United Lithium Corp. (CSE: ULTH), were valued at approximately A\$167,226 (CAD 0.52 per share), while the 816,904 shares (following a 1:100 share consolidation from 81,690,362 shares) held in ASX listed NewPeak Metals Ltd were valued at approximately A\$13,070 (A\$0.016 per share).

As the Company is an exploration entity there is not yet any sales revenue generated product sales. Sunstone has primarily funded its activities through the issuance of equity securities and it is expected that the Company will be able to fund its future activities through further issuances of equity securities and consideration of project-level partnerships.

### Shareholder Information

During the December quarter a Placement to existing and new institutional and sophisticated shareholders was completed. 405,750,000 shares were issued at the Placement price of \$0.012 per share to raise \$4,869,000, under the Company's available capacity under ASX Listing Rule 7.1.

A further 12,916,667 shares are to be purchased by directors subject to shareholder approval at a General Meeting called for 6 February 2024 to raise an additional \$155,000.

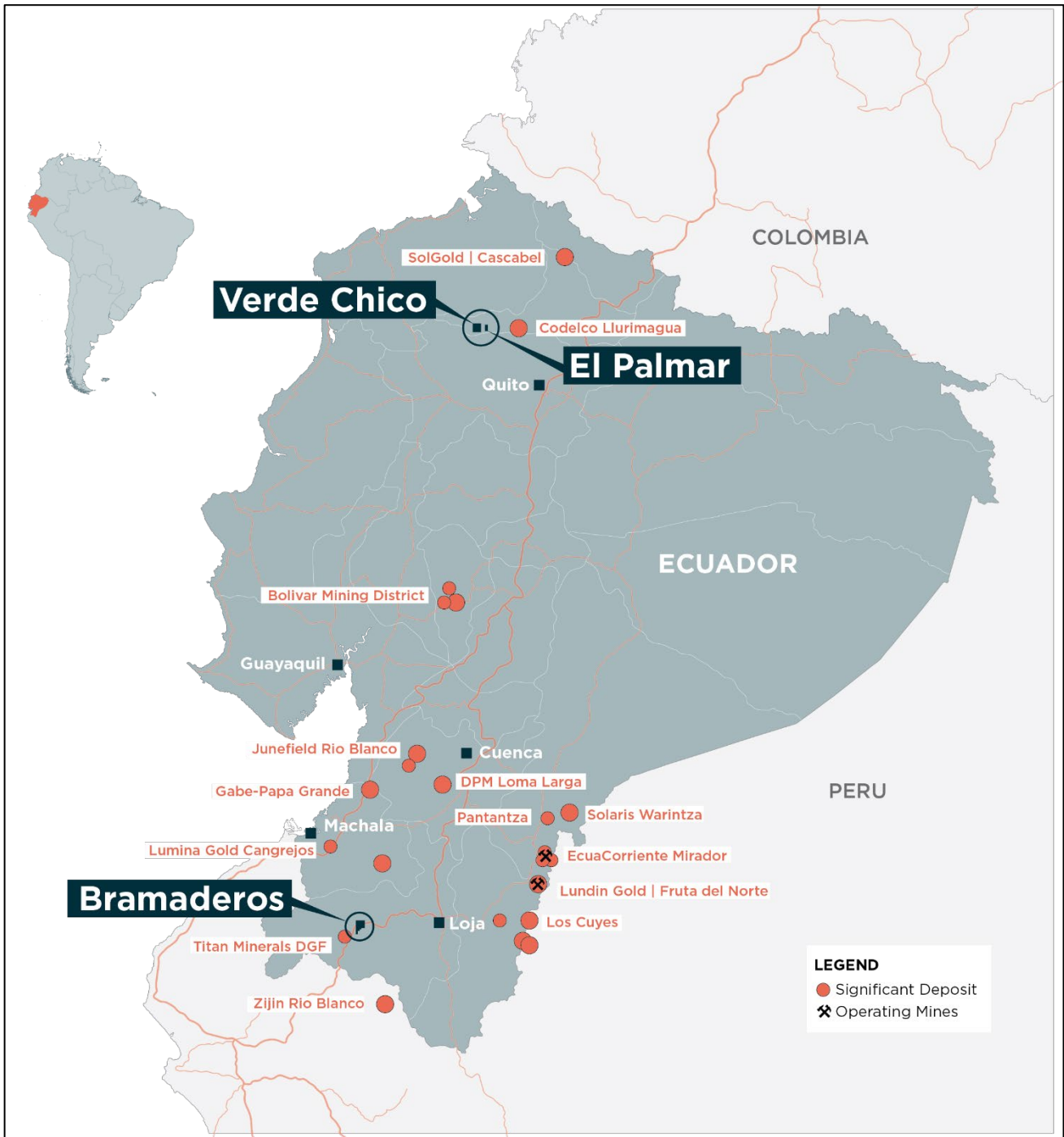
As at 31 December 2023, the Company had 3,487,734,879 fully paid ordinary shares on issue and 4,238 shareholders.

### Notes Specific – December 2023 Quarter ASX Announcements

The following announcements, which relate to information in this Quarterly Report, were lodged with the ASX. Further details (including JORC 2012 Code Reporting Tables, where applicable) for the results summarised above can be found in the announcements:

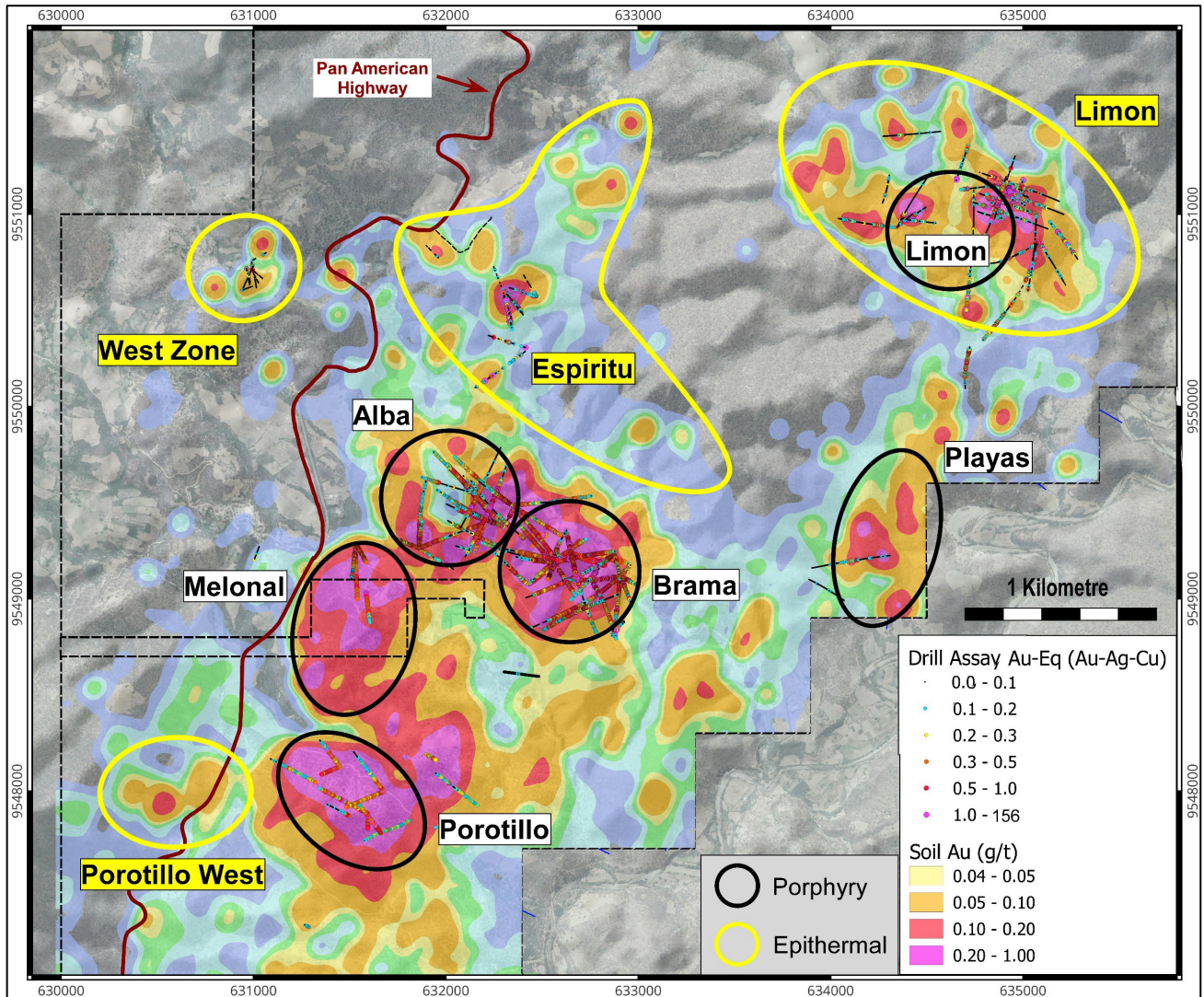
Change of Director's Interest Notice	3 October 2023
Limon drilling growing scale	12 October 2023
AGM Chair's Address, presentation & results	17 October 2023
Appendix 3G and Change of Director's Interest Notice	17 October 2023
Limon – Bumper results, greatly expands scale	18 October 2023
Appendix 3G and Change of Director's Interest Notice	31 October 2023
Limon – expanded area of gold mineralisation	2 November 2023
Director Appointment and Appendix 3X	8 November 2023
Large Limon Exploration Target	9 November 2023
Large gold target at El Palmar, work starts at Verde Chico	23 November 2023
Sustainability Report	27 November 2023
Trading Halt	11 December 2023
STM raises \$5m for growing gold-copper-silver discoveries	13 December 2023
Limon gold-silver discovery grows significantly	19 December 2023

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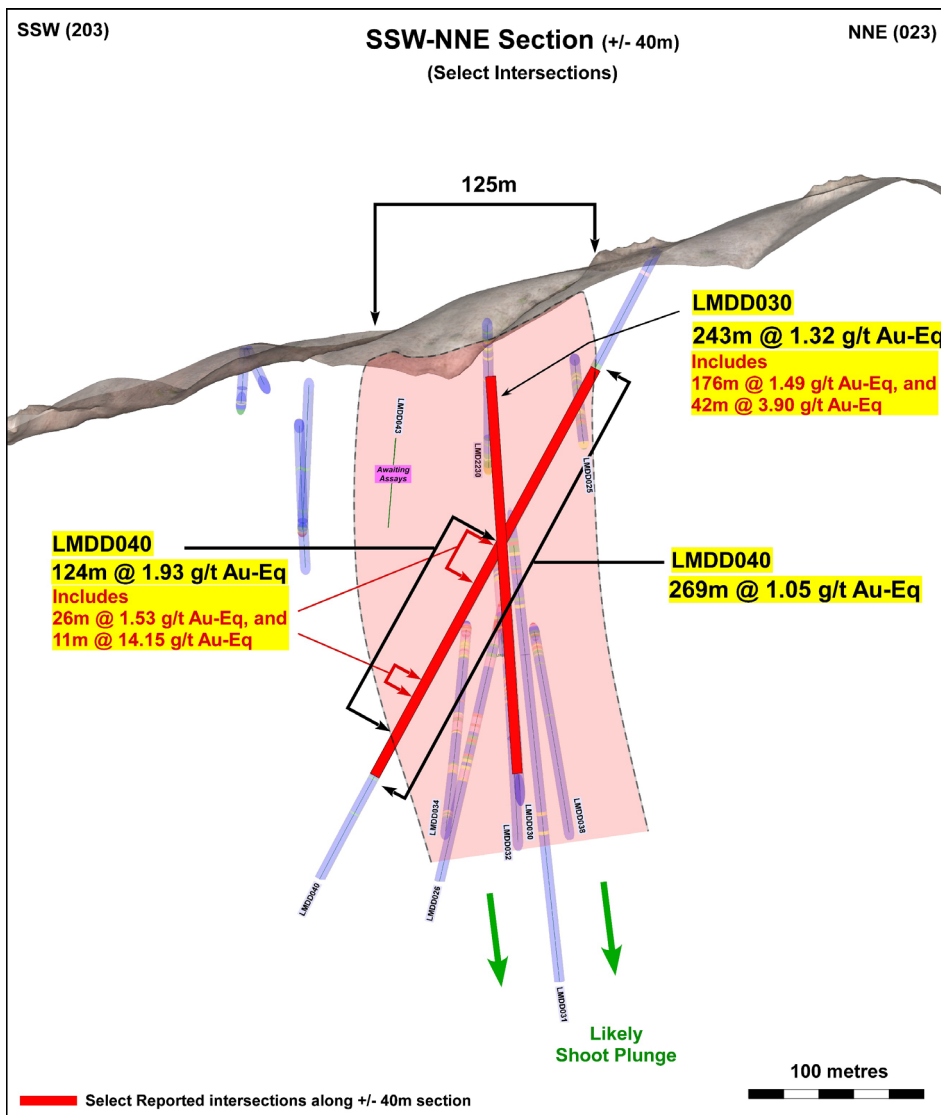
**Figure 1:** Location of the El Palmar project in northern Ecuador, the Verde Chico project nearby, and the Bramaderos Project in southern Ecuador.

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**Figure 2:** Gold in soil within the Bramaderos concession and showing the main porphyry (black outline) and epithermal (yellow outline) domains. The background image is gold-in-soil highlighting the potential scale increase to be delivered with more drilling at Bramaderos across multiple targets. Drilling activity during 2023 has been focussed on the Limon gold-silver epithermal opportunity.

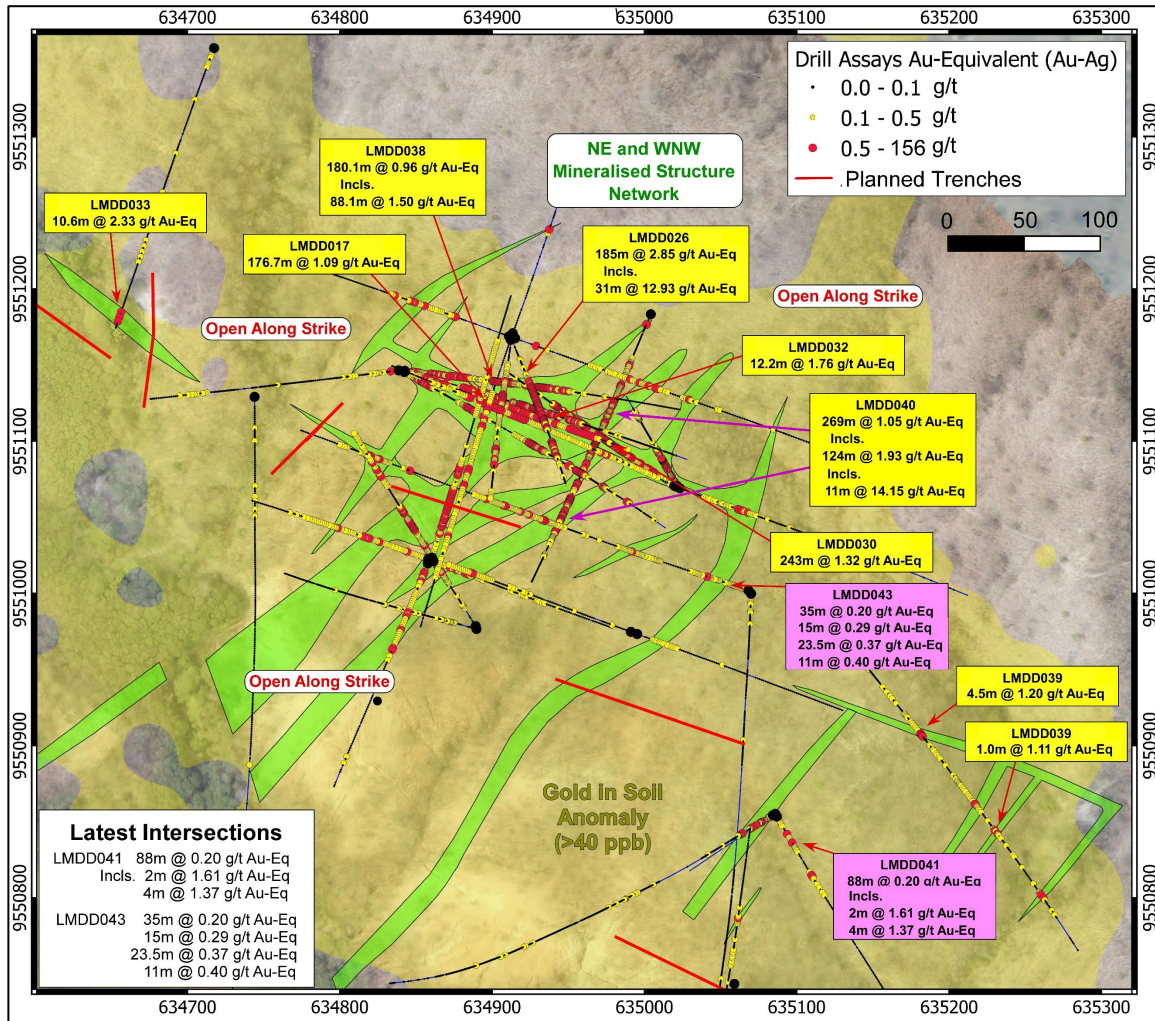
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**Figure 3:** Cross-section 1 - SSW-NNE cross-section through the Limon epithermal system, showing the main central shoot is around 125m wide in true width, with mineralisation extending to surface and open to depth down plunge. See Figure 5 for location of sections.

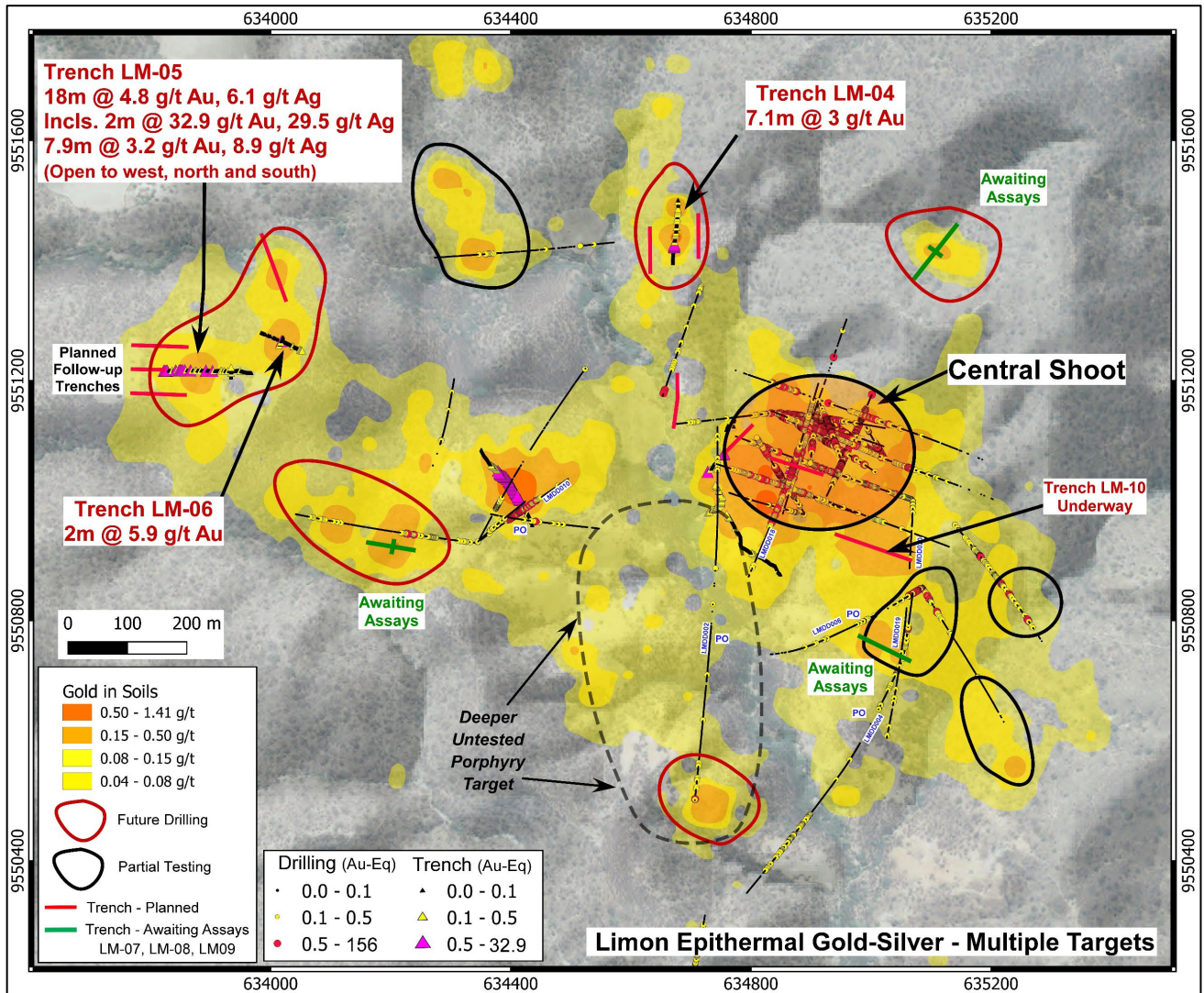


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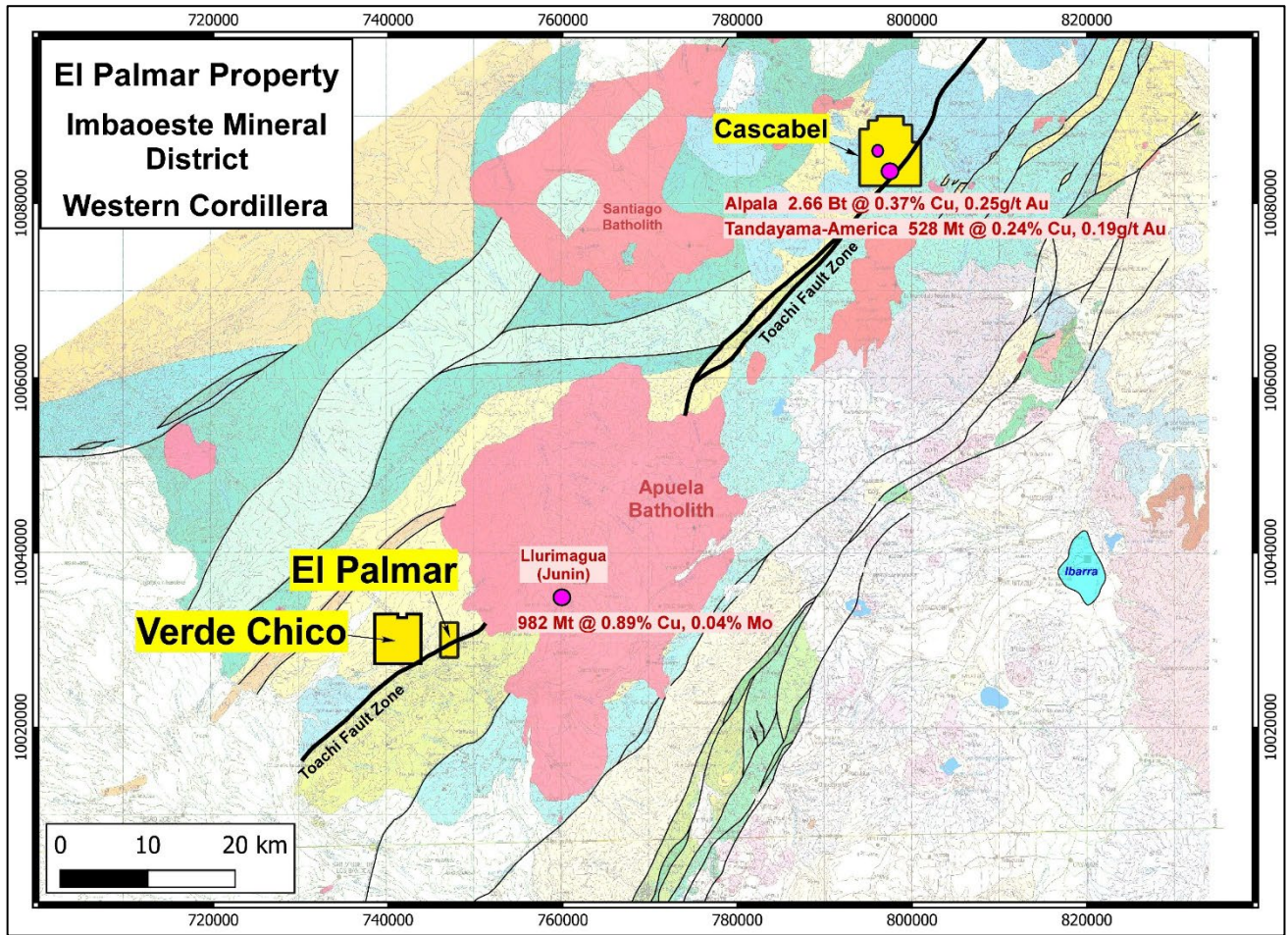
**Figure 4:** Limon epithermal gold-silver system in plan view, showing multiple mineralised structures in green. High-grade domains are at intersections of NE and WNW trending structures. Several additional targets have been defined based on gold-in soil and zinc-in-soil anomalies, and structural interpretation. See Figure 6 for a broader context within the very large Limon target area.

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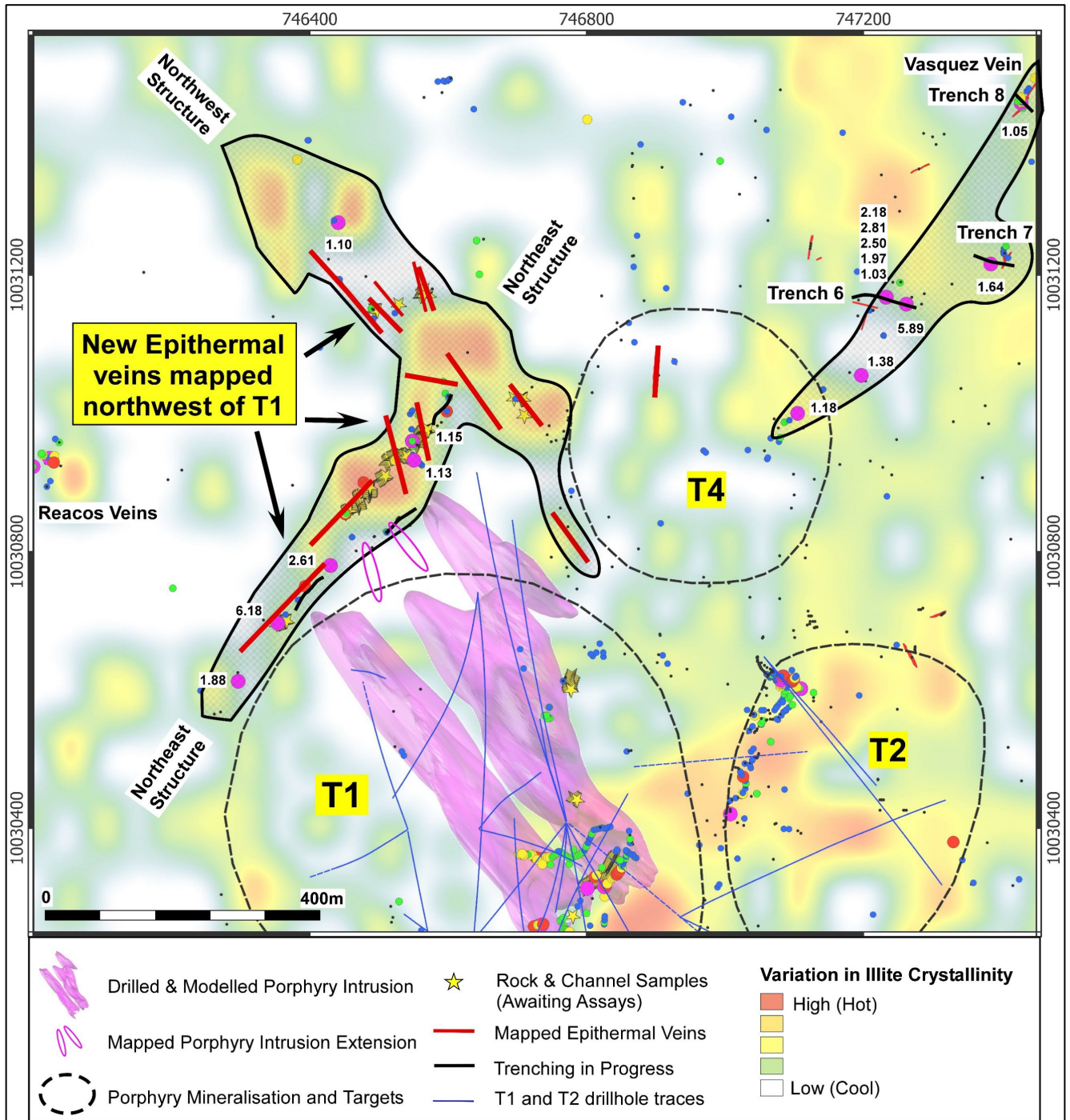
**Figure 5:** Limon gold in soils map showing extensive anomalous gold over an area of 1.7km x 700m. The circled areas have seen partial testing. Trenches LM-04, 05 and 06 are shown in the northern and western parts of the large Limon system. The black dashed line shows the Limon porphyry target outline.

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**Figure 6:** Location of the El Palmar and Verde Chico projects relative to the giant Lurimagua, Alpa and Tandayama-America (Cascabel project) porphyry deposits, and the Toachi fault system.

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**Figure 7:** Plan view of interpreted epithermal gold domains as defined by high crystallinity illite distribution – which maps high-temperature alteration associated with epithermal systems. Gold rock chip results are plotted as g/t within these domains and the orientation of epithermal veins are shown in bold red. The epithermal veins cover an area of at least 600m x 400m.

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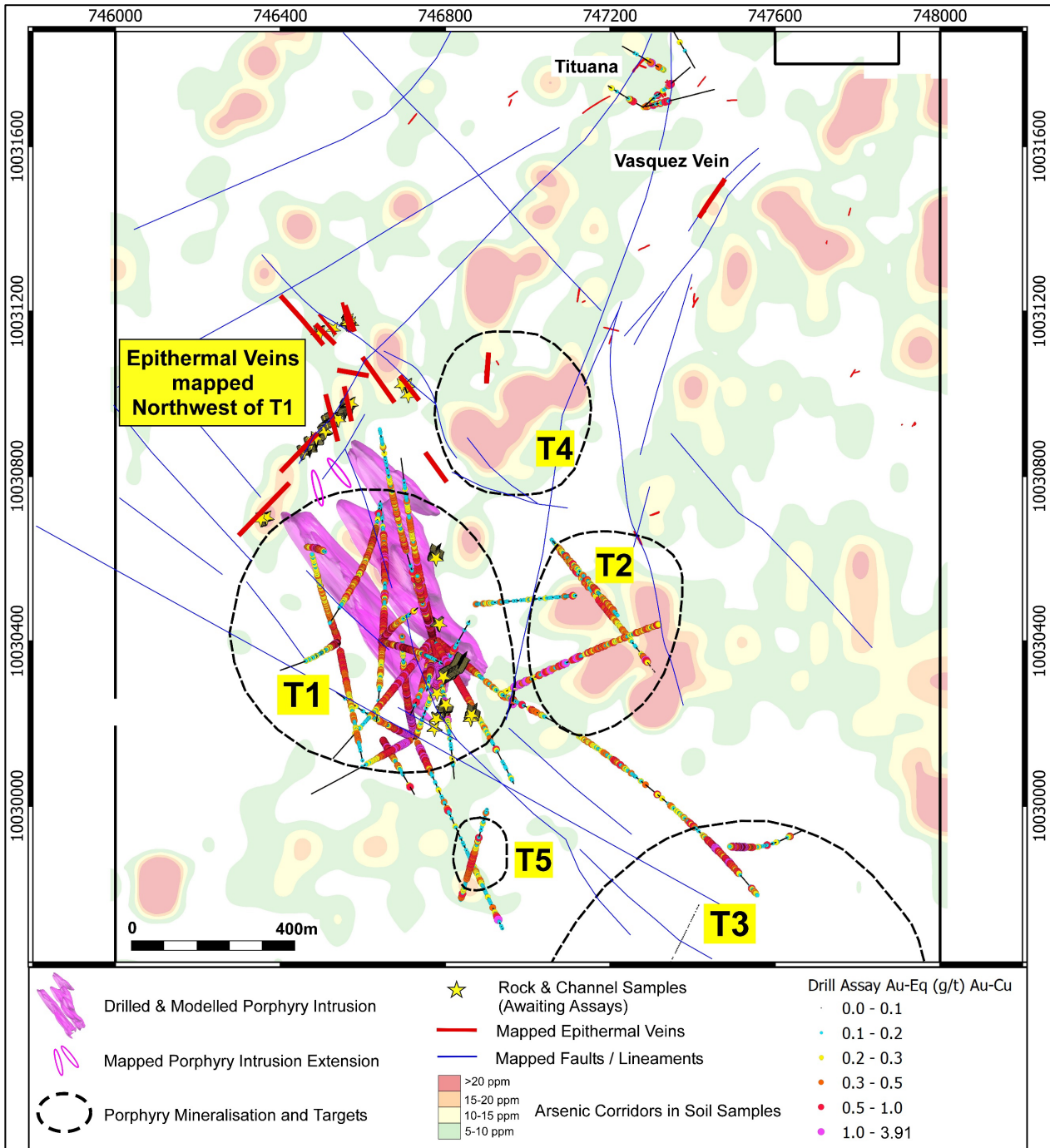
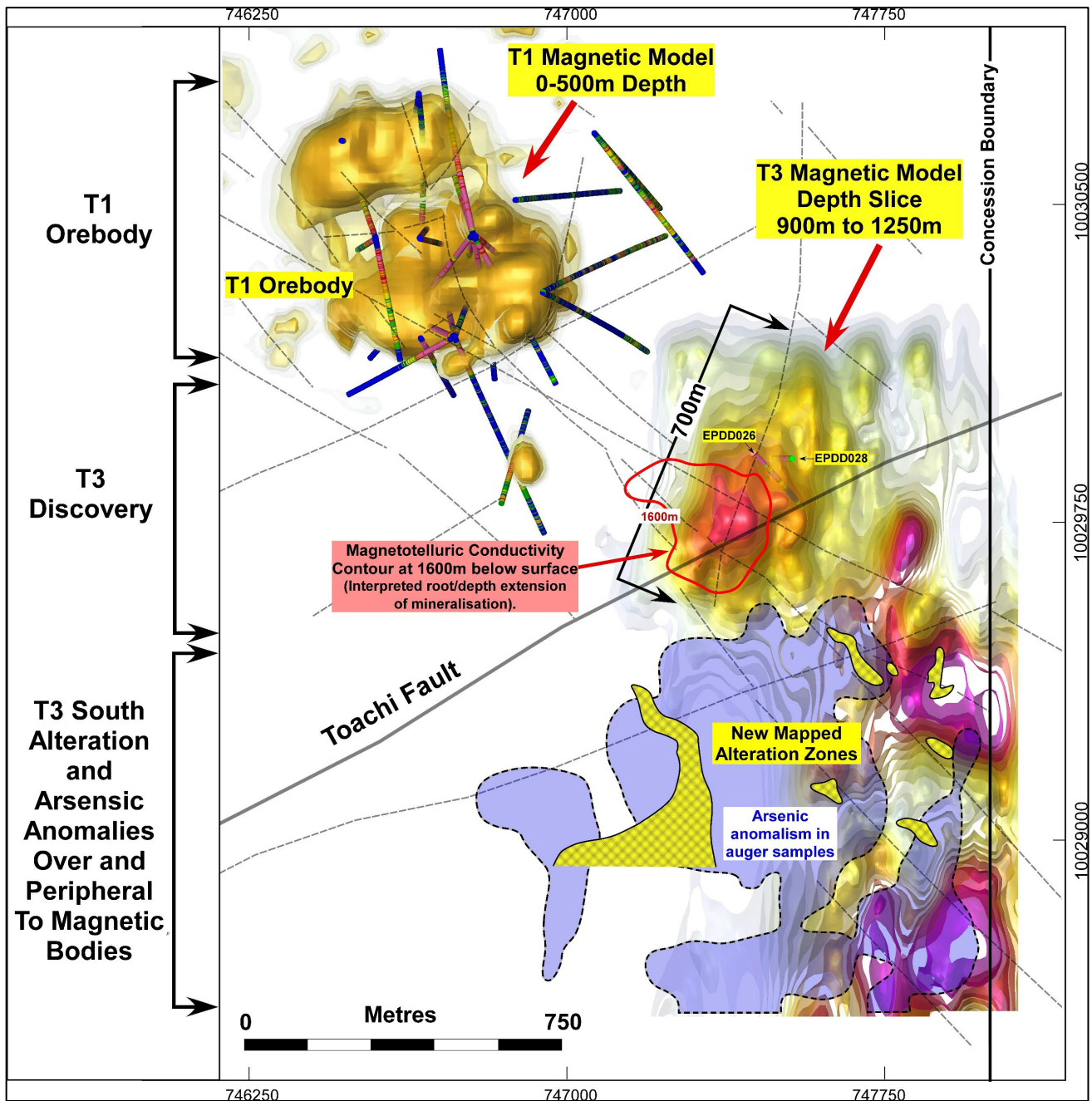


Figure 8: Plan view showing the location of the epithermal veins along structural trend to the northwest of the porphyry gold-copper deposits T1 to T5.

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**Figure 9:** Plan of the T3 target at ~800m below surface. The broader T3 magnetic complex is approximately 1.5km in extent N-S, and has a 1km width based on magnetics and soil geochemical anomalies. The target has only 3 drill holes drilled to date of which 2 have intersected significant gold-copper mineralisation.

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### TENEMENT SCHEDULE

At the end of the quarter, the Company holds the following tenements:

#### Gold-Copper Tenements – Ecuador

Tenement Holder	Tenement Name	Location	Status	Sunstone Ownership
Bramaderos S.A.	Bramaderos <sup>^</sup>	Loja, Ecuador	Granted	87.5%
Bramaderos S.A.	Bramaderos 02	Loja, Ecuador	Granted	87.5%
Bramaderos S.A.	Cueva de Leon	Loja, Ecuador	Granted	87.5%
Golden Exploration Ecuador S.A.	Los Mandariyacus (El Palmar) <sup>@</sup>	Imbabura, Ecuador	Granted	70%
Compania Minera Verde Chico CIA Ltda	Verde Chico <sup>#</sup>	Imbabura, Ecuador	Granted	0%

<sup>^</sup>Sunstone announced on 7 January 2020 that the terms of the Earn-in Joint Venture with TSX-V listed Cornerstone Capital Resources (subsequently merged with SolGold PLC) had been amended to provide Sunstone with an immediate 87.5% interest and SolGold with a loan carried 12.5% interest in Bramaderos S.A. (formerly named La Plata Minerales S.A.) the holder of the Bramaderos concession.

<sup>@</sup> Sunstone announcement 12 August 2020 regarding a Staged Acquisition Agreement for 100% of the El Palmar project.

<sup>#</sup> Sunstone announcement 21 June 2022 regarding a Letter of Intent to acquire 100% of the Verde Chico Project, located to the west of Sunstone's El Palmar gold-copper porphyry discovery in northern Ecuador, through a Staged Acquisition Agreement, signed 23 September 2022, from the Verde Chico Group.

#### Competent Persons Statement

The information in this report that relates to exploration targets and exploration results is based upon information reviewed by Dr Bruce Rohrlach who is a Member of the Australasian Institute of Mining and Metallurgy. Dr Rohrlach is a full-time employee of Sunstone Metals Ltd and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Dr Rohrlach consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

**ASX ANNOUNCEMENT**

**DIRECTORY**

**SUNSTONE METALS LIMITED**  
**ABN 68 123 184 412**

**Web site:**  
**Email:**

[www.sunstonemetals.com.au](http://www.sunstonemetals.com.au)  
[info@sunstonemetals.com.au](mailto:info@sunstonemetals.com.au)

**Stock Exchange Listing**

Australian Stock Exchange

ASX Code: STM

**Investor Information Contacts:**

Mr Gavin Leicht - Company Secretary  
Sunstone Metals Limited  
Tel: 07 3368 9888  
Email: [gleicht@sunstonemetals.com.au](mailto:gleicht@sunstonemetals.com.au)

**Shareholder Enquiries:**

Share registry matters should be directed to:

Computershare Investor Services  
Phone: 1300 850 505  
Website: [www.computershare.com.au](http://www.computershare.com.au)

**Registered Office:**

9 Gardner Close  
Milton Queensland 4064  
Phone: 07 3368 9888  
Fax: 07 3368 9899

**Issued capital:**

Ordinary shares: 3,487,734,879 (STM)  
Unlisted Performance Rights 58,000,000 (STMAS)  
Unlisted Options 24,000,000 (STMAL)  
(at 31 December 2023)

**Directors:**

Graham Ascough – Non-Executive Chairman  
Malcolm Norris – CEO/Managing Director  
Stephen Stroud - Non-Executive Director  
Patrick Duffy – Non-Executive Director

**Company Secretary:**

Gavin Leicht

For further information please visit [www.sunstonemetals.com.au](http://www.sunstonemetals.com.au) or contact:

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



## Appendix 5B

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

Name of entity

SUNSTONE METALS LIMITED

ABN

68 123 184 412

Quarter ended ("current quarter")

31 DECEMBER 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
<b>1. 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	(694)	(1,071)
(e) administration and corporate costs	(175)	(414)
1.3 Dividends received (see note 3)		
1.4 Interest received	21	86
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)		
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(848)</b>	<b>(1,399)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities		
(b) tenements	0	0
(c) property, plant and equipment	0	0
(d) exploration & evaluation	(4,042)	(8,772)
(e) investments		
(f) other non-current assets		

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
2.2 Proceeds from the disposal of:		
(a) entities		
(b) tenements	0	0
(c) property, plant and equipment		
(d) investments	0	0
(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 Net cash from / (used in) investing activities</b>	<b>(4,042)</b>	<b>(8,772)</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	4,869	4,869
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	(278)	(278)
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)		
<b>3.10 Net cash from / (used in) financing activities</b>	<b>4,591</b>	<b>4,591</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period	4,941	10,307
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(848)	(1,399)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(4,042)	(8,772)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	4,591	4,591

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

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	100	15
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>4,742</b>	<b>4,742</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	1,591	765
5.2	Call deposits	3,151	4,176
5.3	Bank overdrafts		
5.4	Other (provide details)		
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>4,742</b>	<b>4,941</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	224
6.2	Aggregate amount of payments to related parties and their associates included in item 2	

*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.*

<b>7.</b>	<b>Financing facilities</b> <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>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1	Loan facilities		
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	<b>Total financing facilities</b>		
7.5	<b>Unused financing facilities available at quarter end</b>		0
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.		

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

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(848)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(4,042)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(4,890)
8.4 Cash and cash equivalents at quarter end (item 4.6)	4,742
8.5 Unused finance facilities available at quarter end (item 7.5)	0
8.6 Total available funding (item 8.4 + item 8.5)	4,742
8.7 <b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	0.97
<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 - December quarter cashflow included payments for drilling from September quarter and up until drilling campaign completed, with rigs now on standby while all assays are received, compiled, and interpreted. Expenditure is forecast to continue to drop significantly over the next 2 quarters while drilling is currently on standby before anticipated recommencing around March with one rig. Low cost surface sampling is underway at all projects to prepare for the next phase of drilling.	
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: As a junior explorer the Company is at all times considering opportunities for funding its business. The Company has a track record of successfully raising funds to deliver discoveries and expects to be able to fund the planned activities outlined in this Quarterly 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: Yes – it is expected that the exploration expenditure will be significantly reduced with the completion of the latest drilling campaign as per 8.8.1	
<i>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.</i>	

**Compliance statement**

- This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- This statement gives a true and fair view of the matters disclosed.

Date: 30 January 2024

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Authorised by: Gavin Leicht – Company Secretary

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(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.