# MARCH 2021 QUARTERLY REPORT

**Hyperion Metals Limited (ASX: HYM) ("Hyperion" or "Company")** is pleased to present its March 2021 quarterly report. Highlights during and subsequent to the quarter were:

- Signed a research agreement and option for exclusive license to develop titanium metal powders using the breakthrough HAMR technology invented by Dr. Z. Zak Fang at the University of Utah. Hyperion's mission is to be a leading developer of zero carbon, sustainable, critical material supply chains for advanced American industries including space, aerospace, electric vehicles, and 3D printing;
- Signed a Memorandum of Understanding with Energy Fuels Inc. (NYSE: UUUU) (TSX: EFR) for the potential supply of Monazite, a valuable rare earth-bearing mineral, from the Company's Titan Project to Energy Fuels' White Mesa Mill in Utah. Energy Fuels is a leading U.S. producer of uranium and vanadium and an emerging player in the commercial rare earth business, with a market capitalization of approximately A$1 billion;
- Completed Phase 1 and 2 drill programs at the Titan Project, which confirmed a newly defined critical mineral province in the U.S. with consistent grade and thickness of mineralization over approximately 3.6 km strike length. Assays from all holes of the Phase 1 and 2 drill programs returned thick zones of high-grade Total Heavy Minerals near surface;
- Preliminary analysis of Valuable Heavy Minerals at the Titan Project indicates a highly valuable mineral assemblage consisting of 16.9% Rutile, 14.5% Zircon, 21.6% Leucoxene, 1.8% Monazite and 46% other hi-titanium minerals;
- Three ~500kg bulk samples were collected and sent for analysis and pilot scale mineral separation at Mineral Technologies in Starke, Florida, for flowsheet development to produce mineral products for customer discussions;
- Appointed Mr. Anastasios (Taso) Arima as Managing Director of the Company. He has extensive experience in the development of resource projects and is the founder and a Director of Piedmont Lithium;
- Appointed Mr. Todd Hannigan as Non-Executive Chairman of the Company, and Mr. Vaughn Taylor and Alastair Smith as Non-Executive Directors of the Company;
- Expanded the Company's senior management team with the additions of a Community Relations Manager, a Financial Controller, and a Senior Project Manager;
- Increased the Company's land position at the Titan Project to 3,850 acres, adding to a large and contiguous package of surface and mineral rights;
- Completed a A$3.6 million placement, with the Company's Chairman, Mr. Todd Hannigan, subscribing for A$1.0 million in the placement; and
- The Company changed its name to Hyperion Metals (ASX: HYM).

For further information, please contact:

**Anastasios (Taso) Arima**, *Managing Director*
+1 347 899 1522
info@hyperionmetals.us

**Dominic Allen**, *Corporate Development*
+61 468 544 888
info@hyperionmetals.us

## ABOUT HYPERION METALS

Hyperion's mission is to be the leading developer of zero carbon, sustainable, critical material supply chains for advanced American industries including space, aerospace, electric vehicles, and 3D printing.

The Company holds a 100% interest in the Titan Project, covering approximately 3,850 acres of titanium, rare earth minerals, high grade silica sand and zircon rich mineral sands properties in Tennessee, USA. The Titan Project is strategically located in the southeast of the USA, with low-cost road, rail and water logistics connecting it to world class manufacturing industries.

Hyperion has secured an option for the exclusive license to produce low carbon titanium metal using the breakthrough HAMR technology. HAMR was invented by Dr. Z. Zak Fang and his team at the University of Utah with government funding from ARPA-E. The HAMR technology has demonstrated the potential to produce titanium powders with low-to-zero carbon intensity, significantly lower energy consumption, significantly lower cost and at product qualities which exceed current industry standards.

Hyperion has signed a strategic memorandum of understanding with Energy Fuels (NYSE: UUUU) (TSX: EFR) that aims to build an integrated, all-American rare earths supply chain. Hyperion's Titan Project will potentially deliver rare earth minerals for value added processing at Energy Fuels' White Mesa Mill. Rare earths are highly valued as critical materials for magnet production, essential for wind turbines, EVs, consumer electronics and military applications.

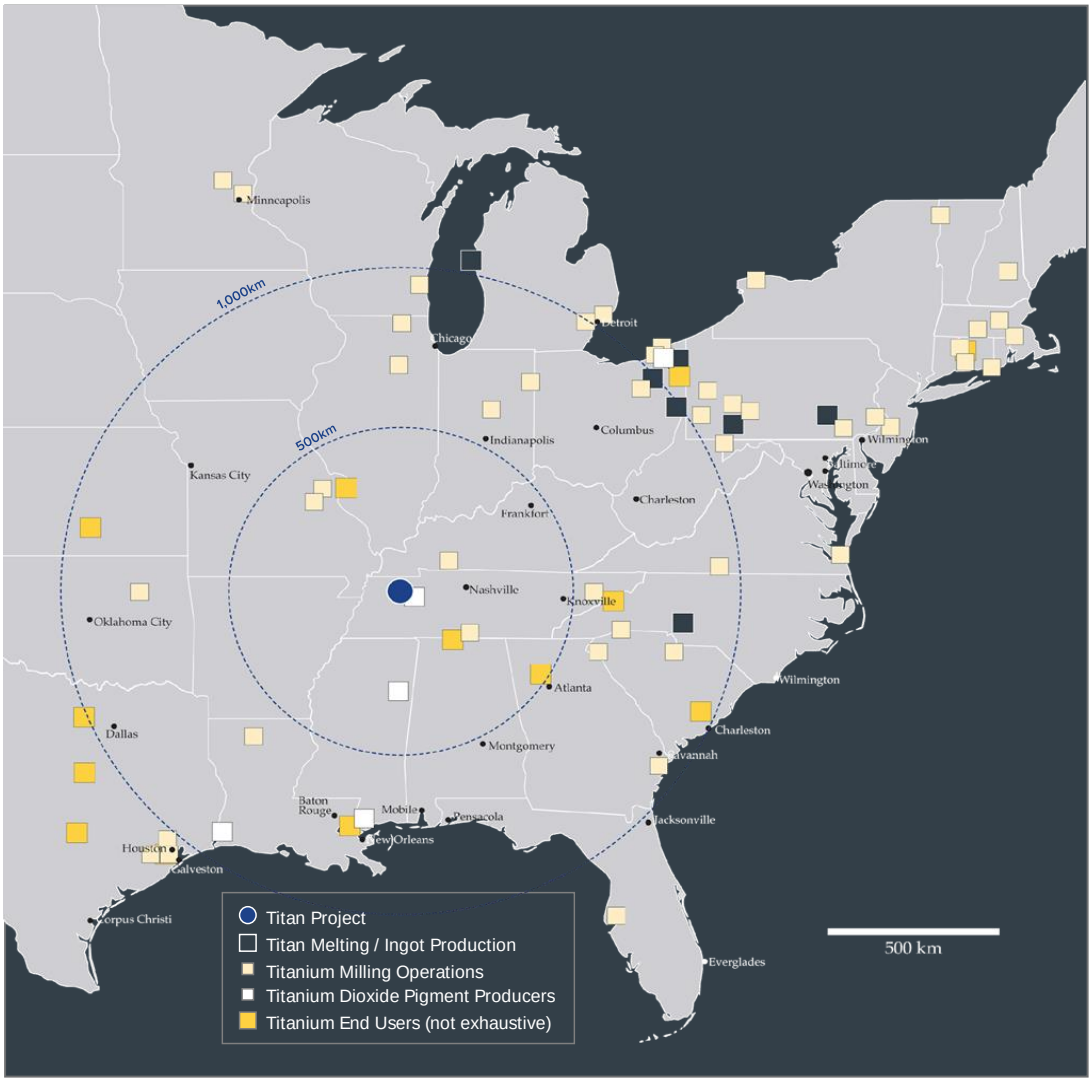


***Figure 1: Titan Project location***

## HAMR TECHNOLOGY: RESEARCH AGREEMENT & EXCLUSIVE LICENSE

The Company signed a research agreement and option for exclusive license with Blacksand Technology, LLC ("Blacksand") to develop titanium metal powders using the breakthrough HAMR (hydrogen assisted magnesiothermic reduction) technology invented by Dr. Z. Zak Fang and his team at the University of Utah with funding from ARPA-E, with Boeing and Arconic (formerly Alcoa, Inc.) as industrial partners.

Blacksand has agreed to provide the Company with research and development services under a research agreement to investigate the scale up and commercialization of the HAMR technology to produce titanium metal powders. The research agreement also provides the company with an option to enter into an exclusive license agreement with Blacksand relating to the HAMR technology.

The development of a fully integrated domestic titanium metal supply chain is of critical strategic importance for the U.S. as the country is the largest global consumer of titanium metal for aerospace and defense but is 100% import reliant on high cost and carbon intensive titanium sponge.

Blacksand's HAMR process for the production of titanium metal powders has the potential to be a breakthrough technology for titanium metal and titanium additive manufacturing and brings the potential for low-to-zero carbon, low-cost product to this high growth, high tech, and high value market.

The Company has established a commitment to low-to-zero carbon titanium metal powder with a strategic goal of true zero carbon titanium metal production by 2030.

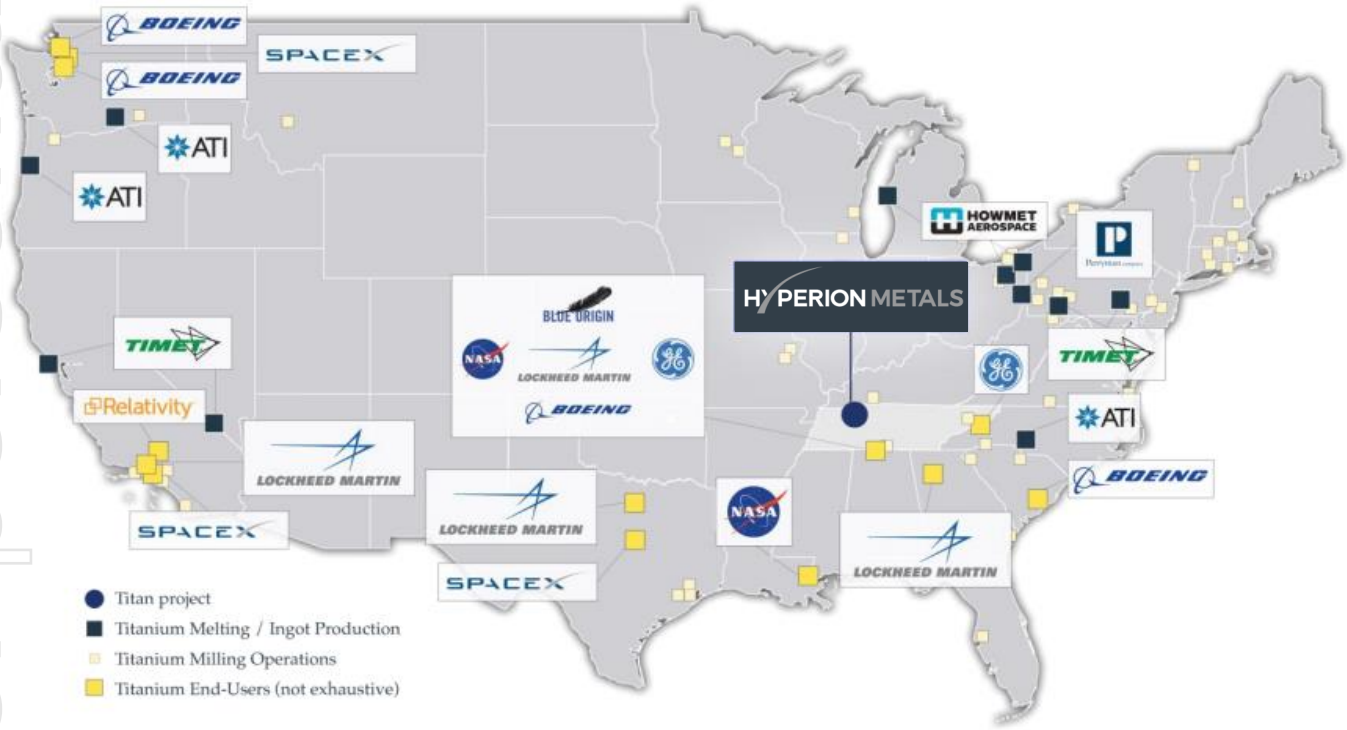


***Figure 2: Titanium ingot producers and major U.S aeronautic and space manufacturing facilities***

Titanium and titanium alloys are used in diverse areas such as high-performance space, aerospace, defense, automotive components, chemical processing equipment and medical implants. However, a barrier for the widespread use of titanium is the cost associated with manufacturing a finished part, with approximately half of the cost historically associated with fabrication[1]. Additionally, the use of titanium powder to print 3D parts

[1] I Mellor and G Doughty, Novel and Emerging Routes for Titanium Powder Production – An Overview, Key Engineering Materials, Vol. 704, pp 271-281

has been a recent technological breakthrough, allowing the production of parts, including automobiles and aerospace frames and engines, with minimal waste and material loss, resulting in significantly less energy consumption and emissions.

The U.S. market is one of the largest and highest value titanium markets globally due to the significant use of titanium in the high-performance space, aerospace and defense sectors. There is no current titanium sponge production capacity in the U.S. – titanium sponge is the first metal product in the process of converting $TiO_2$ minerals to titanium metal. The last U.S. domestic titanium sponge plant closed in 2020 in Henderson, NV and as of 2021 the U.S. will be 100% reliant on titanium sponge imports.

Current global titanium sponge capacity is ~328ktpa, centered in China (162ktpa), Japan (65ktpa), Russia (47ktpa), Kazakhstan (26ktpa) and Ukraine (12ktpa).

There is a strategic opportunity for the Company to develop integrated titanium production capacity in the U.S. to provide for this critical supply chain. Additionally, the Company believes that the efficiencies associated with the manufacturing of titanium parts through 3D printing utilizing titanium powder, combined with the energy and emissions savings associated with the production of titanium powder by utilizing the HAMR process, allow the potential to commercialize a highly sought-after low cost, low-to-zero carbon titanium powder production process.

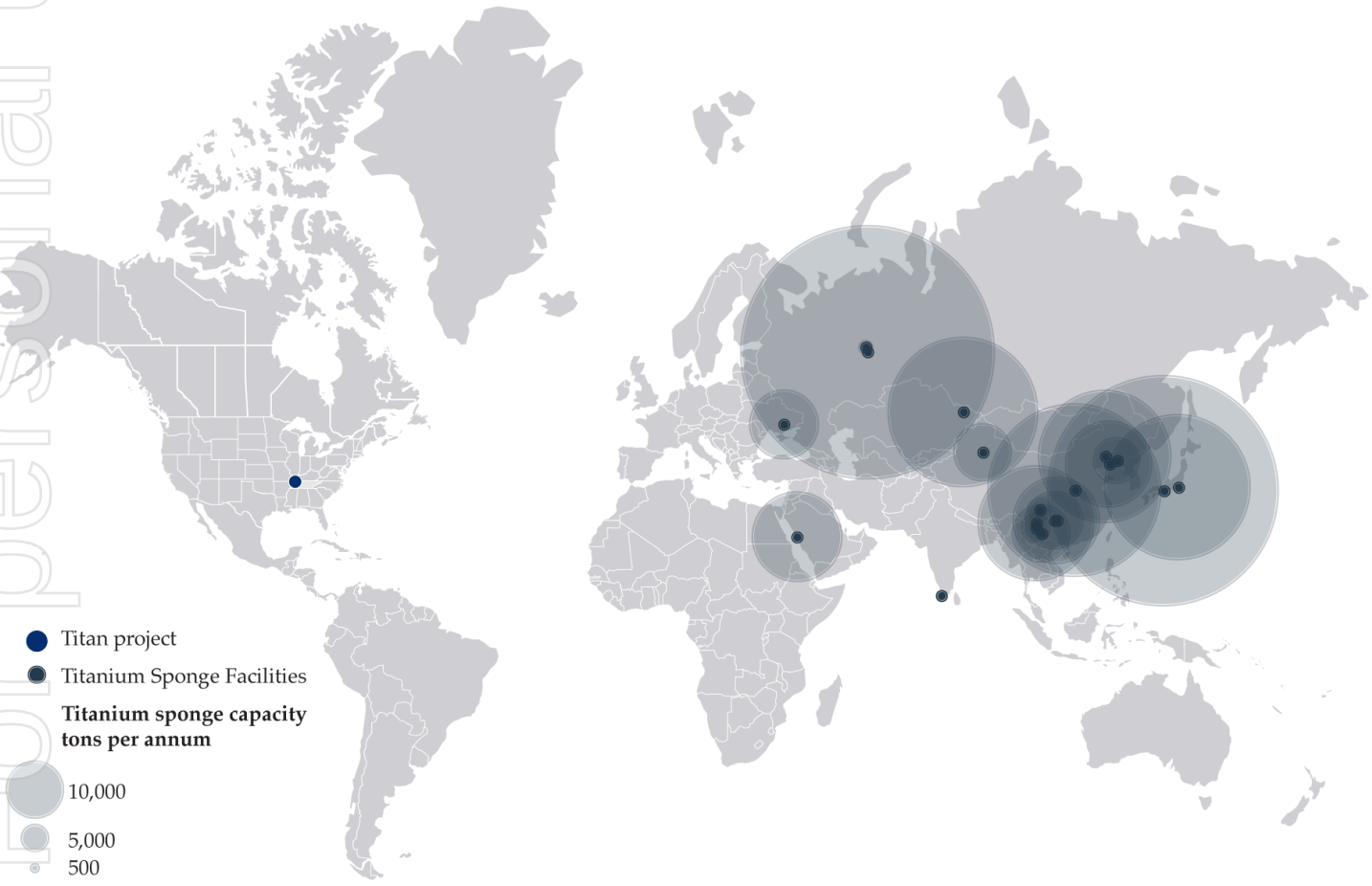


***Figure 3: U.S. Titanium sponge production capacity 2021 (Roskill)***

## MEMORANDUM OF UNDERSTANDING WITH ENERGY FUELS

Subsequent to the end of the quarter, the Company announced the signing of a strategic Memorandum of Understanding with Energy Fuels (NYSE: UUUU) (TSX: EFR) to evaluate the potential supply of monazite sands from the Titan Project in Tennessee to Energy Fuels' White Mesa Mill in Utah for the production of rare earth products.

Monazite is a highly valuable rare earth-bearing mineral, planned to be produced at the Titan Project as a component of its heavy mineral sand concentrate product. The MOU highlights the potential importance of Hyperion's Titan Project, with Energy Fuels and Hyperion to evaluate a potential arrangement to collaborate in the development of an integrated U.S. rare earth supply chain.

The collaboration between Energy Fuels and Hyperion will initially focus on the potential commercial supply of Monazite from Hyperion's Titan Project to Energy Fuels' White Mesa Mill. Under the MOU, the parties have agreed to negotiate a definitive sales agreement for this supply of Monazite. In addition, subject to Hyperion supplying Energy Fuels with a sufficient quantity of Monazite from the Titan Project within a reasonable period of time, Hyperion and Energy Fuels will evaluate entering into a joint venture or other similar arrangement whereby Hyperion would participate with Energy Fuels, and potentially other parties, in the continuing development and operation of an integrated, low-cost and sustainable independent U.S. rare earth supply chain, under which Monazite would be supplied from The Chemours Company (NYSE: CC) ("Chemours") U.S. projects, the Titan Project, and potentially other U.S and international mines, with Energy Fuels' planning to process the Monazite into value-added rare earth products at its White Mesa Mill. This could potentially also result in the development of rare earth metal production capabilities.

## GEOLOGY & DRILLING

### *Phase 1 Drill Program*

A Phase 1 drill campaign consisting of 15 holes was undertaken and completed in Q4, 2020. The Assays from the Phase 1 program were received and interpreted during Q1 2021.

Within the Phase 1 program, the thickest and highest-grade results were obtained from the Company's northern most properties following a ridge line where 12 holes intersected thick zones of mineralization. This thick zone of mineralization ranged from 12.2 to 48.8 meters with all results >1.0% THM and with values consistently ranging from 2% – 4% THM over intercepts of between 30 and 50 meters. Highlights include:

Highlights from the Phase 1 drill program include:

- 47.2m @ 3.69% THM including 10.7m @ 8.09% THM and 10.7m @ 5.47% THM;
- 35.1m @ 3.04% THM including 10.7m @ 8.16% THM
- 32.0m @ 3.12% THM including 10.7m @ 5.64% THM
- 47.2m @ 2.12% THM including 9.1m @ 4.19% THM
- 35.1m @ 2.80% THM including 9.1m @ 8.21% THM
- 36.6m @ 2.37% THM including 4.6m @ 5.07% THM

Within this thick envelope of mineralization, two zones of high-grade mineralization have been recognized, and are described as an Upper Shore Zone (USZ) and a Lower Shore Zone (LSZ). The cross section in Figure 1, oriented perpendicular to the paleo shoreline, shows the significant THM intercepts for 5 of the holes and the continuity of the upper and lower shoreline zones.

Three holes were completed in the land package located just west of Camden, Tennessee, and encountered thick zones of lower grade mineralization compared to the results seen in the northern properties, with the mineralization hosted in the lower member of the McNairy Sand.

### *Phase 1 Total Heavy Minerals (THM) Interpretation*

The Phase 1 drill program utilized a sonic drill rig, which allowed for core samples to be taken every ~1.5 meters (5 ft). These samples were then bagged and shipped to SGS Laboratories in Lakefield, Ontario, where a Heavy Mineral Concentrate ("HMC") was prepared.

The HMC was prepared via screening for oversize (+600 microns) and slimes (-45 microns) and then subjecting an 85-gram sub-sample from the screened fraction to heavy liquid separation at 2.95 specific gravity. Weights were recorded for the HMC, oversize fraction (+600 microns) and the slimes (-45 microns) for each sample. The Total Heavy Mineral ("THM") percentage was then calculated by including the mass of the oversize material and the slimes.

### *Phase 1 Valuable Heavy Minerals (VHM) Assemblage Interpretation*

Subsequent to the THM interpretation, 70 select HMC samples from 4 drill holes were sent to SGS Lakefield and subjected to QEMSCAN analysis to determine the mineral assemblage within the HMC. Valuable Heavy Minerals ("VHM") assemblage was derived from the HMC samples by adding the rutile, leucoxene, pseudorutile /Hi-Ti Ilmenite, ilmenite, Ti-magnetite/hematite, zircon and monazite (rare earths). This calculation excludes quartz, staurolite, kyanite and all other non-valuable minerals.

The initial results highlight a favorable VHM range of 42% - 76% across the selected drill holes with the average THM assemblage and VHM assemblage shown in Figure 5.

Particularly encouraging are initial indications of a highly valuable potential product suite within the VHM portion of the THM comprising of large proportions of rutile (16.9%) and zircon (14.5%) with the majority of the remaining VHM being titanium minerals including leucoxene and pseudorutile with minor amounts of ilmenite and titanium magnetite/hematite.

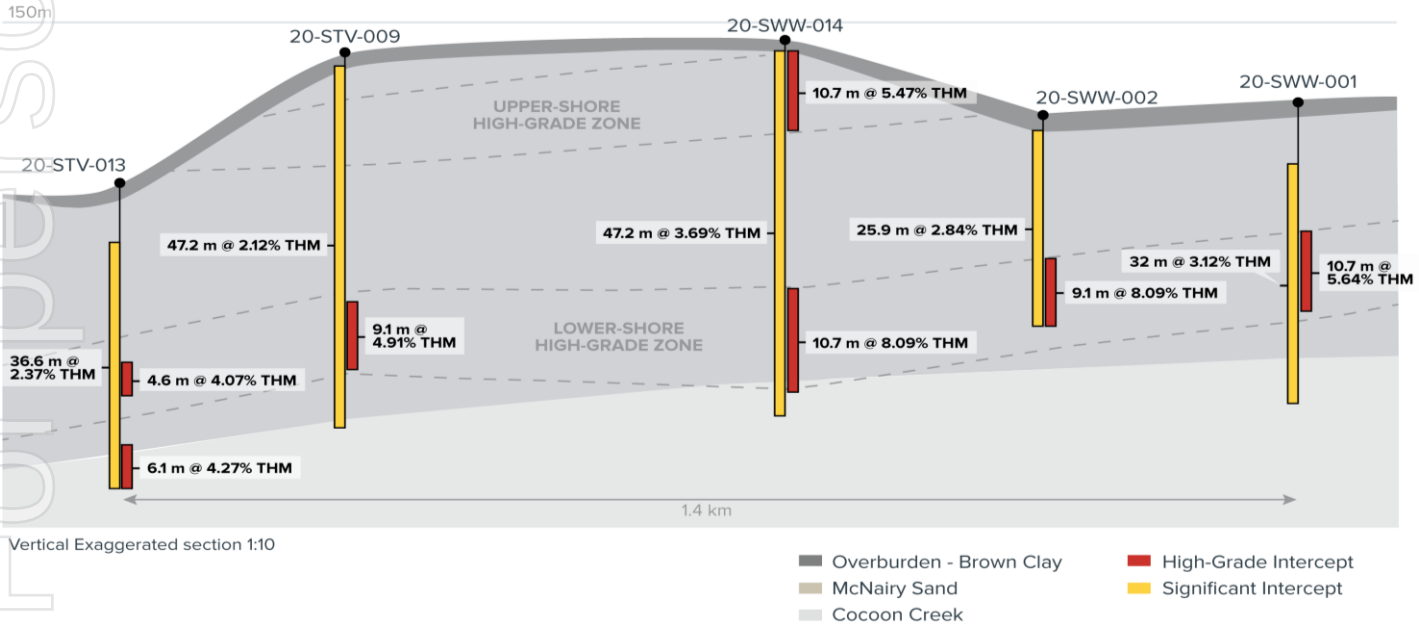


***Figure 4: Cross section showing exceptional thickness and grade across deposit***

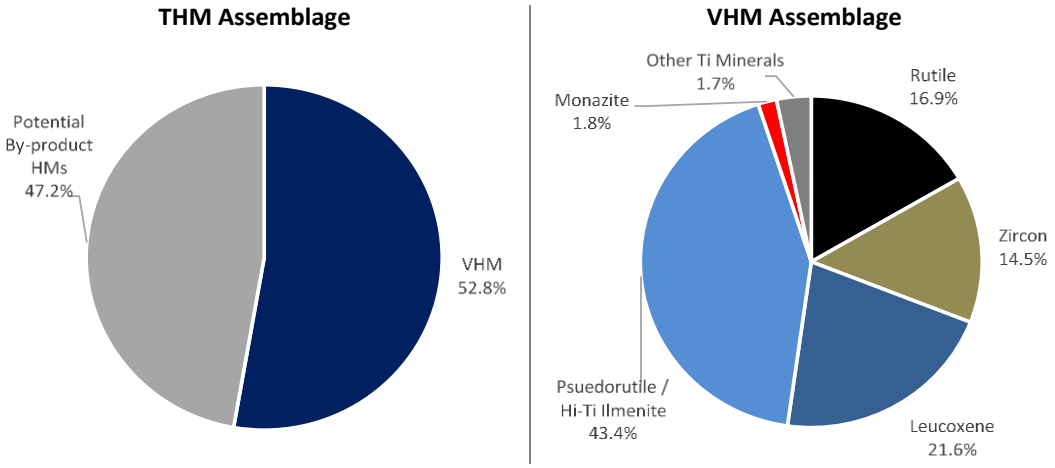


***Figure 5: Mineral assemblage displayed as both THM and VHM***

### *Phase 2 Drill Program*

Results from the Phase 2 drill program received during the quarter confirmed consistent grade and mineralization over~3.6km strike length drilled to date, highlighting the potential for the development of a newly defined critical mineral province in the USA.

All 9 sonic drill holes in the Phase 2 program encountered significant intercepts of heavy mineral mineralization. The Phase 2 program was designed to expand the mineralization discovered in the Phase 1 program and encountered significant contained mineralization within all geological units, with the Lower Mcnairy Sand unit consistently recording the highest grade and thickest intercepts.

Mineralized intervals ranged in thickness between 12.2 meters and 41.1 meters, all with grades greater than 2% THM. High-grade mineralized zones in both the Upper and Lower Mcnairy Sand unit are proving to be very consistent in both thickness and grade along 3.6km of strike, highlighted in figure 3, represented sub-parallel to the historic shoreline.

Highlights from the Phase 2 drill program include (illustrated in Figure 3):

- 36.6m @ 3.37% THM including 12.2m @ 7.65% THM
- 41.1m @ 2.14% THM including 9.1m @ 5.55% THM
- 33.5m @ 2.21% THM including 12.2m @ 5.64% THM

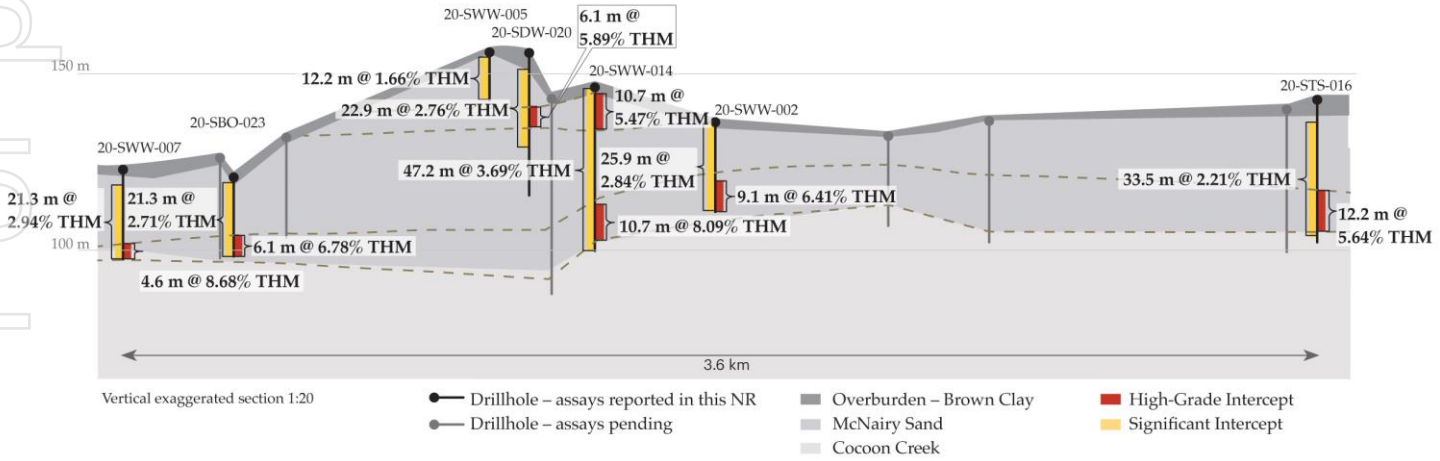


***Figure 6: Long section displaying phenomenal continuity along the strike of the deposit***

***Phase 3 Drill Program***

A 70-hole Phase 3 drill program was commenced during the quarter, designed to infill areas defined by Phase 1 and 2 programs in order to inform an initial mineral resource estimate.

The completion of the Phase 3 program, along with the bulk sample program, will form the basis for the Company's initial Mineral Resource estimate ("MRE") to be prepared in accordance with the JORC Code, expected in late Q2 2021.

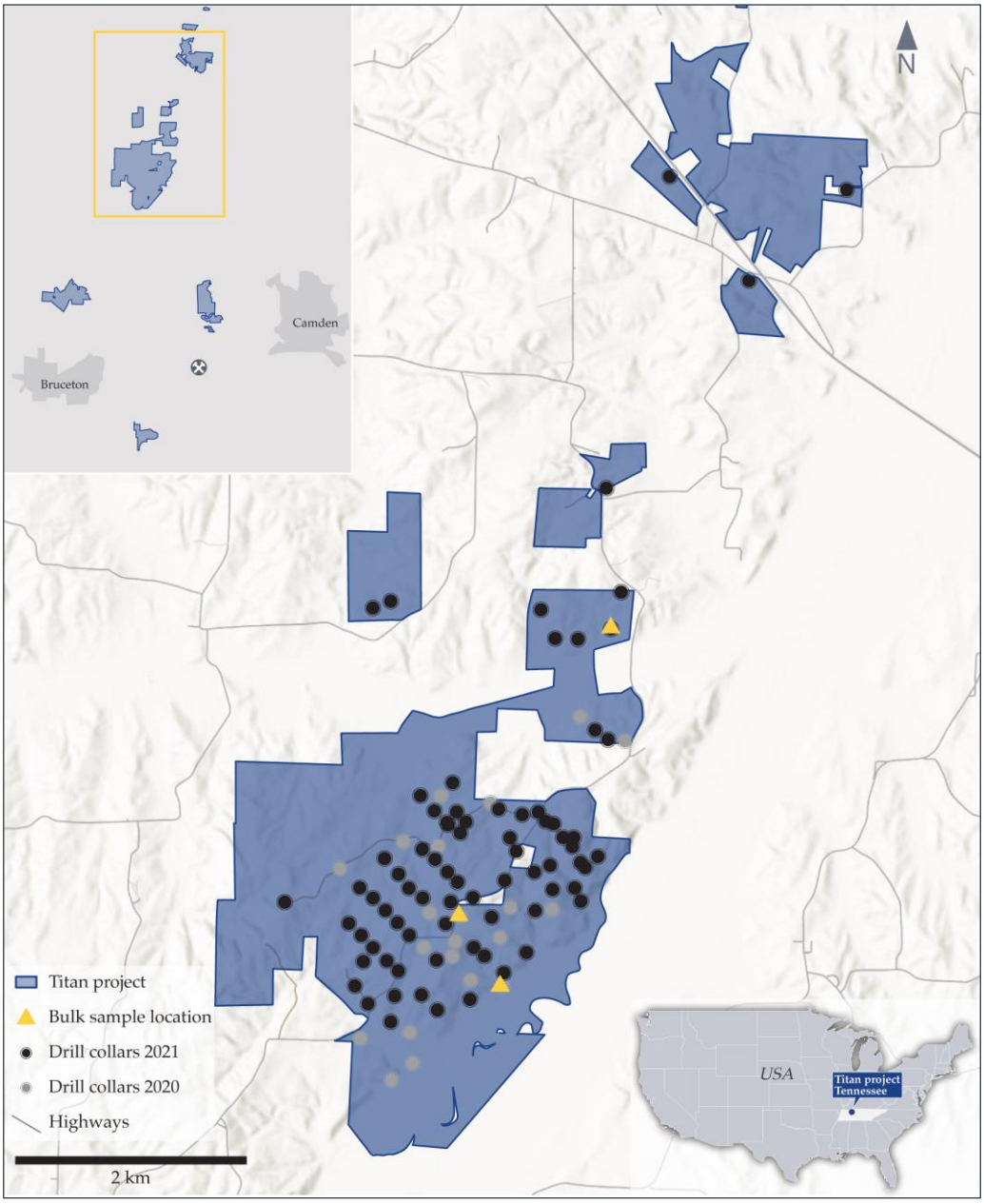


***Figure 7: Phase 1, 2 and 3 drill hole collars***

## BULK SAMPLE TESTWORK

Three ~500kg bulk samples were collected and sent for analysis and pilot scale mineral separation at Mineral Technologies lab in Starke, FL. The test work program is progressing well, with the Company conducting a site visit to the pilot plant facility on 1 March 2021. Two of the samples were selected from the lower mineralized unit and one from the upper unit.

The objective of the metallurgical program is to produce products for potential customers / strategic partners, to provide material for additional test work programs (such as metallurgical testing of the rare earths and production of titanium metal powders), to begin flowsheet development for a scoping study and for assemblage data to inform the mineral resource estimate. Products include:

- **Titanium minerals** (rutile and leucoxene) for further processing and test work into titanium metal powders and for customer discussions in the U.S. paint and pigment supply chain;
- **Rare earth minerals** (monazite) for further metallurgical test work and for customer / strategic partnership discussions in the U.S. rare earth supply chain;
- **Zircon** for customer discussions in the ceramic and foundry markets; and
- **Silica sand** for further processing and test work into low iron, high quality silica used in float glass, solar panel glass and pharmaceutical grade glass.

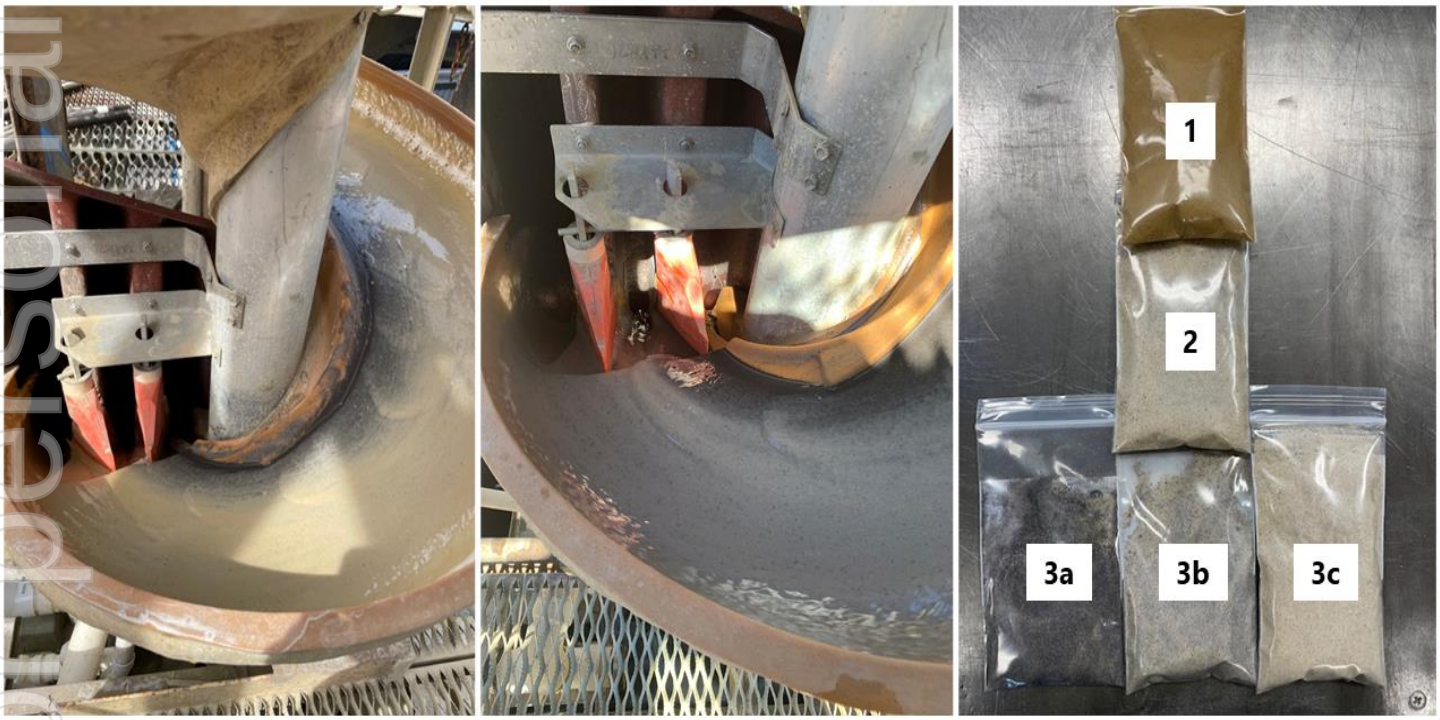


***Figure 8: Spiral test work and heavy mineral concentrates at the Mineral Technologies lab in Starke, FL*** *(Sample 1. Ore, Sample 2. Deslimed Ore, Sample 3.a. Concentrate, Sample 3.b. Middlings, Sample 3.c. Tailings).*

## U.S. CRITICAL MINERAL SUPPLY CHAINS – PRESIDENTIAL EXECUTIVE ORDER

A U.S. Presidential Executive Order was released on 24 February 2021 targeting the creation of more resilient and secure U.S. supply chains for critical and essential goods.

The Executive Order is consistent with the Company's strategy to develop sustainable critical minerals for key U.S. supply chains, particularly in defense, space exploration and the transportation sectors. The U.S. is currently 100% import reliant on titanium sponge and titanium metal imports (space, aerospace, transportation), 95% import reliant on titanium feedstocks (paints and pigments) and has a key dependency on China for its supply of rare earth elements (electric vehicles and renewable energy).

The Company is positioned to benefit significantly from any Federal investment and/or regulatory change that could potentially result from the Executive Order. The Company has strong relationships within the U.S. Federal Government and key Federal agencies, including the Department of Defense and Department of Energy, and is already working with these parties regarding its projects.

## CORPORATE

### *Board Changes*

Mr. Anastasios (Taso) Arima, was appointed Managing Director of the Company, effective from March 1, 2021. Mr. Arima has extensive experience in the development of energy and resource projects in North America, establishing outstanding management teams and high-quality projects, and has raised over A$500 million in equity funding over his career. He is the founder and a Director of Piedmont Lithium Limited (ASX: PLL, Nasdaq: PLL), which has rapidly grown into a A$1 billion company and was instrumental in identifying and securing Piedmont's lithium project.

Mr. Todd Hannigan was appointed as Non-Executive Chairman of the Company, effective from 1 February 2021 Mr. Hannigan was formerly the Chief Executive Officer of Aston Resources Limited ("Aston"). During this period, he led the growth of Aston into one of Australia's largest publicly listed resources companies. Aston raised approximately $2 billion in funding to acquire and develop the Maules Creek coal project through to first production.

Mr. Vaughn Taylor was appointed Non-Executive Director of the Company. Mr. Vaughn Taylor was formerly Executive Director and Chief Investment Officer of AMB Capital Partners, the global investment platform of the Western Australia Based Bennett family, who established the foundations of the successful Australian iron ore industry.

During the quarter Mr. Mark Connelly and Mr. Patrick Glovac resigned from their positions as Chairman and Non-Executive Director, respectively. After the end of the quarter, Mr. Alastair Smith resigned as Non-Executive Director.

### *Senior Management Appointments*

During the quarter, the Company appointed the following personnel in senior management roles:

- Ms. Stephanie Harcleroad – Community Relations Manager
- Ms. Kayla Luther – Financial Controller
- Ms. Deling Xian – Senior Project Manager

### *Completion of Placement*

The Company completed a private placement of 12,150,000 shares to institutional and sophisticated investors to raise gross proceeds of A$3,645,000. As a strong endorsement of the Company's prospects, Non-Executive Chairman, Mr. Todd Hannigan, subscribed for A$1,000,000 of the placement.

***Establishment of Project Office***

The Company established a project office in Camden, Tennessee, to assist in community relations, government relations and project development activities for the Titan Project.

***Company Name Change***

Subsequent to the end of the quarter, the Company changed its name to from "Tao Commodities Limited" to "Hyperion Metals Limited", with its ASX ticker changing from "TAO" to "HYM".

## JUNE 2021 QUARTER PLANNED ACTIVITIES

The Company has commenced work on a maiden JORC Mineral Resource estimate, anticipated for delivery in the June quarter. The delivery of a JORC Mineral Resource estimate combined with the bulk test work results will enable the commencement of a scoping study for the Titan Project.

The Company will also commence initial environmental studies, including stream and wetland delineation, threatened and endangered species habitat survey, cultural resources review, and a groundwater quality and quantity testing program, as well as progressing work with Blacksand's to advance the HAMR technology.

## ASX - ADDITIONAL INFORMATION

***Mining properties – Titan Project***

As at 31 March 2021, the Titan Project comprised of approximately 3,850 acres of surface and associated mineral rights in Tennessee, prospective for heavy mineral sands (HMS), rich in minerals critical to the U.S, including titanium, rare earth minerals, high grade silica sand and zircon.

***Mining properties – Milford Project***

Tenements held at 31 March 2021 by the Company relating to the Milford Project are:

| Tenement | Location | Interest |
|---|---|---|
| ML-001 to ML-100, ML-051a | Utah, USA | 100% |
| Total number of claims | 101 | |

***Mining exploration expenditures***

During the quarter, the Company made the following payments in relation to mining exploration activities:

| Activity | A$000 |
|---|---|
| Drilling and assaying | (194) |
| Metallurgical test work | (119) |
| Geological consultants | (37) |
| Permitting | (27) |
| Technical studies | (170) |
| Field supplies, vehicles, travel and other | (37) |
| **Total as reported in Appendix 5B** | **(584)** |

***Related party payments***

During the quarter, the Company made payments of approximately A$101,000 to related parties and their associates. These payments relate to executive directors' remuneration, non-executive directors' fees, superannuation contributions and fees for services in relation to business development activities.

This announcement has been authorized for release by the Managing Director.

**Forward Looking Statements**

*Information included in this release constitutes forward-looking statements. Often, but not always, forward looking statements can generally be identified by the use of forward-looking words such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "continue", and "guidance", or other similar words and may include, without limitation, statements regarding plans, strategies and objectives of management, anticipated production or construction commencement dates and expected costs or production outputs.*

*Forward looking statements inherently involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance, and achievements to differ materially from any future results, performance, or achievements. Relevant factors may include, but are not limited to, changes in commodity prices, foreign exchange fluctuations and general economic conditions, increased costs and demand for production inputs, the speculative nature of exploration and project development, including the risks of obtaining necessary licenses and permits and diminishing quantities or grades of reserves, political and social risks, changes to the regulatory framework within which the Company operates or may in the future operate, environmental conditions including extreme weather conditions, recruitment and retention of personnel, industrial relations issues and litigation.*

*Forward looking statements are based on the Company and its management's good faith assumptions relating to the financial, market, regulatory and other relevant environments that will exist and affect the Company's business and operations in the future. The Company does not give any assurance that the assumptions on which forward looking statements are based will prove to be correct, or that the Company's business or operations will not be affected in any material manner by these or other factors not foreseen or foreseeable by the Company or management or beyond the Company's control.*

*Although the Company attempts and has attempted to identify factors that would cause actual actions, events, or results to differ materially from those disclosed in forward looking statements, there may be other factors that could cause actual results, performance, achievements, or events not to be as anticipated, estimated or intended, and many events are beyond the reasonable control of the Company. Accordingly, readers are cautioned not to place undue reliance on forward looking statements. Forward looking statements in these materials speak only at the date of issue. Subject to any continuing obligations under applicable law or any relevant stock exchange listing rules, in providing this information the Company does not undertake any obligation to publicly update or revise any of the forward-looking statements or to advise of any change in events, conditions or circumstances on which any such statement is based.*

**Competent Persons Statement**

*The information in this announcement that relates to the Titan Project Exploration Results is extracted from Hyperion's ASX Announcements dated 10 March 2021 and 7 January 2021 ("Original ASX Announcements") which are available to view at Hyperion's website at www.hyperionmetals.us. Hyperion confirms that a) it is not aware of any new information or data that materially affects the information included in the Original ASX Announcements; b) all material assumptions included in the Original ASX Announcements continue to apply and have not materially changed; and c) the form and context in which the relevant Competent Persons' findings are presented in this report have not been materially changed from the Original ASX Announcements.*

# Appendix 5B

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



| Name of entity | |
|---|---|
| Hyperion Metals Limited | |
| **ABN** | **Quarter ended ("current quarter")** |
| 84 618 935 372 | 31 March 2021 |

| | **Consolidated statement of cash flows** | **Current quarter $A'000** | **Year to date (9 months) $A'000** |
|---|---|---|---|
| **1.** | **Cash flows from operating activities** | | |
| 1.1 | Receipts from customers | - | - |
| 1.2 | Payments for | | |
| | (a) exploration & evaluation | (584) | (829) |
| | (b) development | - | - |
| | (c) production | - | - |
| | (d) staff costs | (260) | (462) |
| | (e) administration and corporate costs | (244) | (765) |
| 1.3 | Dividends received (see note 3) | - | - |
| 1.4 | Interest received | 4 | 8 |
| 1.5 | Interest and other costs of finance paid | - | - |
| 1.6 | Income taxes paid | - | - |
| 1.7 | Government grants and tax incentives | - | 12 |
| 1.8 | Other (provide details if material): | | |
| | (a) business development | (100) | (123) |
| **1.9** | **Net cash from / (used in) operating activities** | **(1,184)** | **(2,159)** |

| | | | |
|---|---|---|---|
| **2.** | **Cash flows from investing activities** | | |
| 2.1 | Payments to acquire: | | |
| | (a) entities | - | - |
| | (b) tenements | (391) | (458) |
| | (c) property, plant and equipment | - | (1) |
| | (d) exploration & evaluation | - | - |
| | (e) investments | - | - |
| | (f) other non-current assets | - | - |

| Consolidated statement of cash flows | | Current quarter $A'000 | Year to date (9 months) $A'000 |
|---|---|---|---|
| 2.2 | Proceeds from the disposal of: | | |
| | (a) entities | - | - |
| | (b) tenements | - | - |
| | (c) property, plant and equipment | - | - |
| | (d) investments | - | - |
| | (e) other non-current assets | - | - |
| 2.3 | Cash flows from loans to other entities | - | - |
| 2.4 | Dividends received (see note 3) | - | - |
| 2.5 | Other (provide details if material): | | |
| | (a) cash acquired on asset acquisition | - | 35 |
| **2.6** | **Net cash from / (used in) investing activities** | **(391)** | **(424)** |

| **3.** | **Cash flows from financing activities** | | |
|---|---|---|---|
| 3.1 | Proceeds from issues of equity securities (excluding convertible debt securities) | 3,645 | 6,220 |
| 3.2 | Proceeds from issue of convertible debt securities | - | - |
| 3.3 | Proceeds from exercise of options | 575 | 16 |
| 3.4 | Transaction costs related to issues of equity securities or convertible debt securities | (100) | (233) |
| 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) |
| **3.10** | **Net cash from / (used in) financing activities** | **4,120** | **6,000** |

| **4.** | **Net increase / (decrease) in cash and cash equivalents for the period** | | |
|---|---|---|---|
| 4.1 | Cash and cash equivalents at beginning of period | 2,510 | 1,649 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (1,184) | (2,159) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | (391) | (424) |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | 4,120 | 6,000 |

| Consolidated statement of cash flows | | Current quarter $A'000 | Year to date (9 months) $A'000 |
|---|---|---|---|
| 4.5 | Effect of movement in exchange rates on cash held | (6) | (17) |
| **4.6** | **Cash and cash equivalents at end of period** | **5,049** | **5,049** |

| 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 | 420 | 132 |
| 5.2 | Call deposits | 4,629 | 2,378 |
| 5.3 | Bank overdrafts | | - |
| 5.4 | Other (provide details) | | - |
| **5.5** | **Cash and cash equivalents at end of quarter (should equal item 4.6 above)** | **5,049** | **2,510** |

| 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 | (101) |
| 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

| 7. | **Financing facilities**<br>*Note: the term "facility' includes all forms of financing arrangements available to the entity.*<br>*Add notes as necessary for an understanding of the sources of finance available to the entity.* | **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.

Not applicable

| 8. | **Estimated cash available for future operating activities** | **$A'000** |
|---|---|---|
| 8.1 | Net cash from / (used in) operating activities (item 1.9) | (1,184) |
| 8.2 | (Payments for exploration & evaluation classified as investment activities) (item 2.1(d)) | - |
| 8.3 | Total relevant outgoings (item 8.1 + item 8.2) | (1,184) |
| 8.4 | Cash and cash equivalents at quarter end (item 4.6) | 5,049 |
| 8.5 | Unused finance facilities available at quarter end (item 7.5) | - |
| 8.6 | Total available funding (item 8.4 + item 8.5) | 5,049 |
| 8.7 | **Estimated quarters of funding available (item 8.6 divided by item 8.3)** | 4.3 |

*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.*

8.8 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?

Not applicable

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?

Not applicable

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?

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?

Not applicable

*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 2021

Authorised by: Company Secretary
(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.