

QUARTERLY REPORT

For the period ended 30 June 2022

RELEASED 28 JULY 2022



TGMETALS

TG Metals Completes Successful ASX Listing Commences Exploration at Lake Johnston, WA

- **TG Metals Limited raises \$6m before costs in a successful IPO on 26 May**
- **Low impact exploration commences at the Lake Johnston Project**
- **Geophysics review targeting nickel sulphide mineralisation progresses towards completion**
- **Permitting for drilling of nickel and cobalt laterite deposits progressing**

TG Metals Limited (**TG Metals** or the **Company**) (ASX:TG6), is pleased to report on a successful June quarter, marked by the completion of ASX listing and the start of the multi commodity exploration programs at its 100% owned Lake Johnston Project in WA.

Exploration Activities

The Company has initiated a multi-faceted exploration program at the Lake Johnston Project, Figure 1, that will see an initial focus on both sulphide and oxide nickel, lithium in pegmatites and gold.

Geospatial consultancy, Geopotentials Southern Geoscience, were engaged to review historical geophysical surveys over the Lake Johnston Project. This review is designed to assess the effectiveness of past nickel sulphide exploration, identify new targets from the historical work and make recommendations for future work, including additional modern high-powered geophysics and drilling. Reviews of existing geophysical surveys completed for the IPO process on the southern Lake Tay prospect area, identified past electromagnetic surveys (effective in the detection of massive sulphide deposits) were unable to penetrate much more than 150 metres below surface. Modern geophysical methods have greater ability to see deeper and are more able to discern sulphide mineralisation from other sources of anomalism.

The initial review of the legacy geophysical data will be completed in August 2022.

Exploration work on the Bremer Range nickel laterite prospect has also progressed during the quarter, with the Company currently seeking Program of Works (POW) and Heritage clearances for the Company's maiden drilling program. The proposed drilling will test additional areas prospective for high-grade nickel (defined by past drilling) as a lead into potential resource definition activities and acquiring metallurgical test samples. Further information on this drilling will be announced once approvals have been provided.

During the quarter, the planning and implementation of the maiden soil sampling program was completed. Soil sampling contractors All Points Sampling were engaged, with fieldwork commencing post quarter end and expected to be completed by the first week in August 2022.

Commodities targeted by the soil sampling survey include lithium and base metals. The soil sampling program has been designed to encompass the entire western side of the Bremer prospect along the granite contact with the aim of defining any Lithium-Caesium-Tantalum (LCT) pegmatites that may be present (Figure 2).

Business Development

During the quarter the Company submitted an application for an Exploration Licence on vacant ground adjoining the Company's Bremer prospect and the Charger Metals NL Pagrus Lithium prospect. The application is subject to a ballot to be determined by the Mining Warden at a date to be determined by the Warden. Location of the new application is shown in Figure 2.

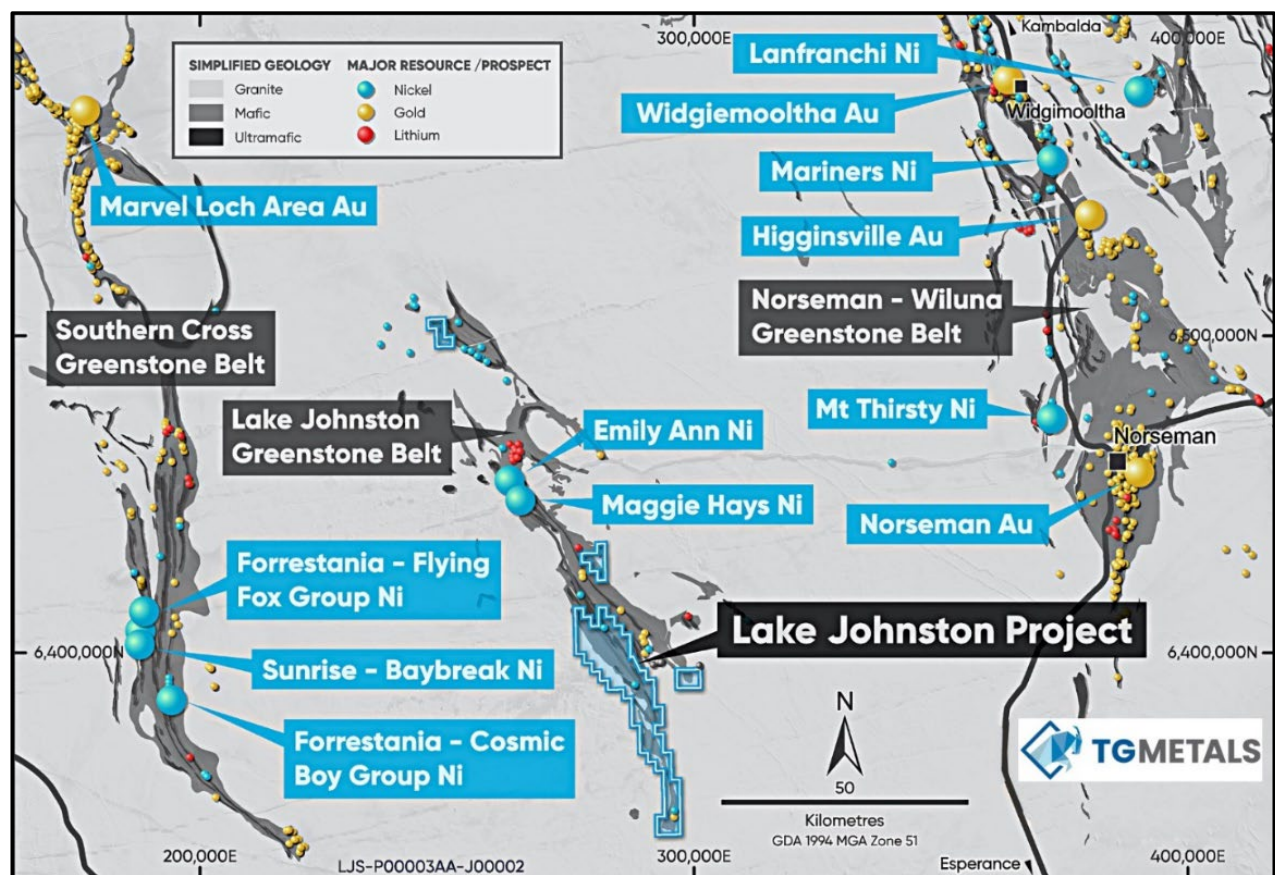


Figure 1 – Lake Johnston Project Location

Corporate

At the end of the June quarter, the Company held cash reserves of A\$5.7m. The Company has 57,322,914 fully paid ordinary shares on issue.

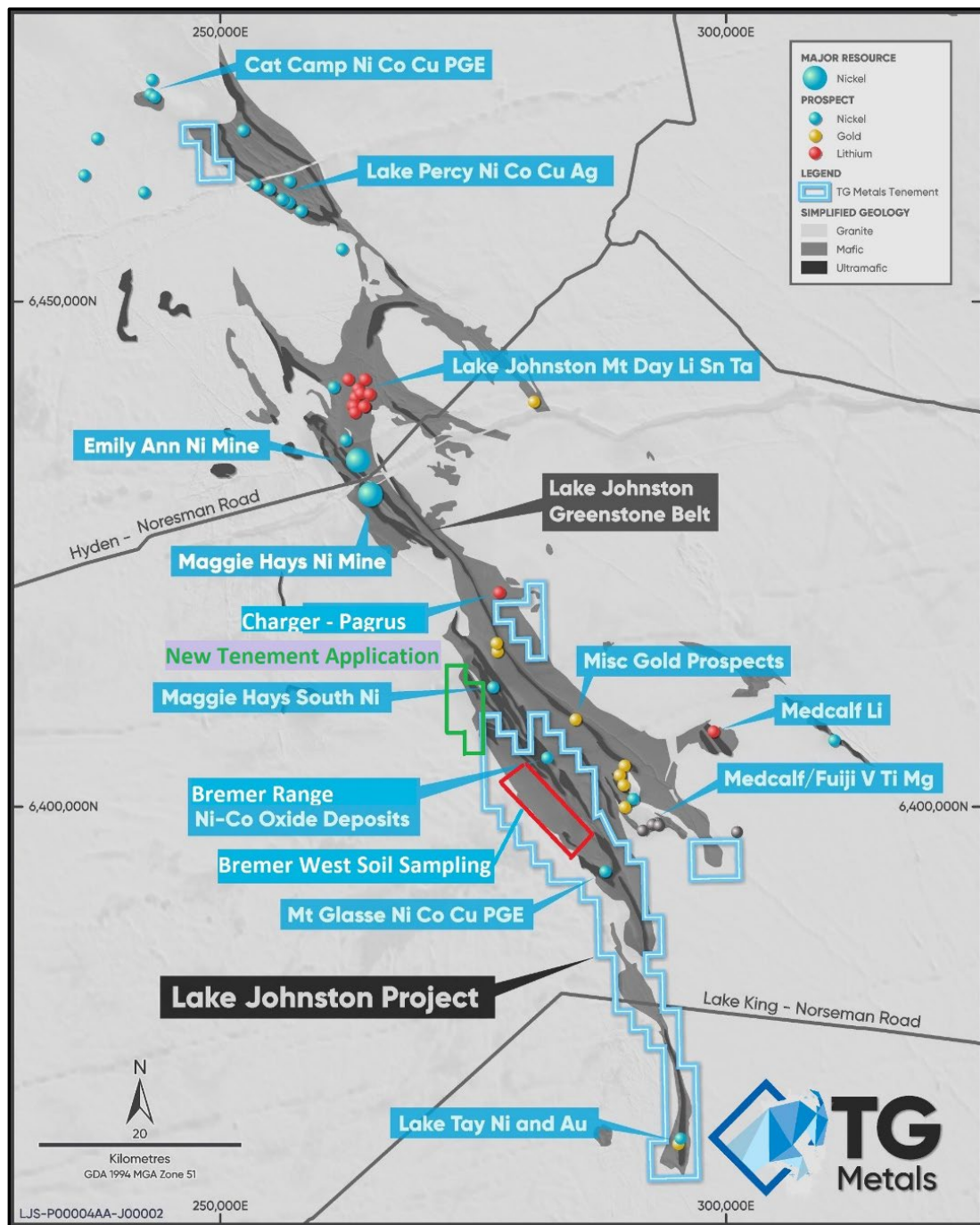


Figure 2 – Lake Johnston Project Showing Bremer West Soil Sampling Area

About TG Metals

TG Metals is an ASX listed company focused on exploring for nickel, lithium and gold at its wholly owned Lake Johnston Project in the stable jurisdiction of Western Australia. The Lake Johnston Project boasts proximity to current and past producing nickel mines, processing plants and geochemical and geophysical targets for immediate exploration.

Lake Johnston Project Overview

The Lake Johnston Project is central to nickel sulphide resource centres that include mines and processing plants at Forrestania, Maggie Hays/Emily Anne (Lake Johnston) and Kambalda. Infrastructure in the region is excellent and beneficial to any future project development.

The Company's primary exploration focus is nickel-copper-PGE sulphide mineralisation located in the basal units of the greenstone belt. Proof of concept for this model are the Emily Ann and Maggie Hays nickel sulphide deposits located immediately to the north of the Project. These mines have a historical production of more than 117,000 tonnes of nickel metal, with approximately 52,000 tonnes in current resources.

The region has historically proven itself to be a difficult exploration environment. The bedrock geology is widely masked by lateritic duricrust, deep oxidation and transported material. The average thickness of the regolith and weathered bedrock is 60 metres to 80 metres. Weathering of ultramafic rock types is often intense with widespread development of silica-rich "cap-rock" in the saprolite zone.

Due to cover, deep weathering and geochemical barriers, past explorers have very much relied on shallow reconnaissance drilling and geophysics to direct the exploration focus. A review of past geophysical surveys completed with the Lake Johnston Project, concludes much of the historical electromagnetics completed in the search for massive nickel sulphide was completed with systems very inferior to what is used today. There exists good potential for the delineation of new conductors of interest and better interrogation of conductors that may have previously been identified, but not well defined.



Image 1 – Aerial of Lake Johnston Project

Historical nickel exploration was mostly completed in the 1990's and predominantly focused on one stratigraphic horizon - the basal contact of "Central Ultramafic Unit". Recent discoveries of nickel sulphide mineralisation in the Forrestania and Lake Johnstone greenstone belts that do not comply with the "basal contact of komatiite flow" Kambalda Model, support the potential for nickel sulphide mineralisation separate to the Central Ultramafic Unit within the Lake Johnston Project.

The location of known nickel occurrences within the Lake Johnston Greenstone Belt supports the previously unrecognised prospectivity of the entire basal greenstone sequence, from the granite contact in the west and up to and including the Eastern Ultramafic Unit. Within the Company's ground this represents a sequence of up to five (5) kilometres in thickness.

While past exploration within the project area has been focussed on nickel, it is recognised the greenstone belt has good potential for both gold and lithium mineralisation.

ASX Disclosures

ASX Listing Rule 5.3.1

During the quarter, the Company spent \$12k on exploration activities, primarily the Bremer-Mt Glasse geophysics review conducted at its Lake Johnston Project. This is reflective of a listing date of 26 May 2022.

ASX Listing Rule 5.3.2

There were no substantive mining production and development activities conducted during the quarter.

ASX Listing Rule 5.3.4

As required the table below details indicative use of funds as per the IPO prospectus and actual expenditure to date (30 June 2022). Includes expenditure prior to 30 March 2022.

Indicative Use of funds	Prospectus Amount (2 Yr Period)	Actual YTD Expenditure
Exploration on the Lake Johnston Project	\$ 3,739,000	\$ 12,000
Expenses of the Offers	\$ 684,145	\$ 407,000
Cash payment to Matlock	\$ 75,000	\$ 75,000
General working capital	\$ 1,937,568	\$ 233,713
Total	\$ 6,435,713	\$ 727,713

ASX Listing Rule 5.3.5

Payments to related parties during the quarter as outlined in Sections 6.1 and 6.2 of the Appendix 5B consisted of A\$31,000 in directors fees.

Authorised for release by TG Metals Board of Directors.

Contact

Mr David Selfe
Chief Executive Officer
info@tgmets.com.au

Investor Relations

Evy Litopoulos
ResolveIR
Email: evy@resolveir.com

Tenement Schedule as at 30 June 2022

Tenement	Area	Grant Date	Expiry Date	Entity's Interest at Quarter End	Change in Entity's interest during Quarter
Exploration Licences					
E63/1960	6 BL	05/11/2019	04/11/2024	100%	No change
E63/1961	29 BL	05/11/2019	04/11/2024	100%	No change
E63/1973	26 BL	16/01/2020	15/01/2025	100%	No change
E63/1983	7 BL	21/02/2020	20/02/2025	100%	No change
E63/1984	5 BL	04/08/2020	03/08/2025	100%	No change
E63/1997	37 BL	27/10/2020	26/10/2025	100%	No change
E63/2254*	8 BL	Pending	N/A	100%	No change
Prospecting Licences					
P63/2201	176.52 HA	03/11/2020	02/11/2024	100%	No change
P63/2202	193.69 HA	16/01/2020	02/11/2024	100%	No change

*Tenement Application

Competent Person Statement

Information in this announcement that relates to exploration results, exploration strategy, exploration targets, geology, drilling and mineralisation is based on information compiled by Mr David Selfe who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Selfe has sufficient experience that is relevant to the style of mineralization and type of deposit under consideration and to the activities that 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. Mr Selfe has consented to the inclusion in this presentation of matters based on their information in the form and context in which it appears.

Forward Looking Statements

This announcement may contain certain statements that may constitute “forward looking statements”. Such statements are only predictions and are subject to inherent risks and uncertainties, which could cause actual values, results, performance achievements to differ materially from those expressed, implied or projected in any forward looking statements.

Forward-looking statements are statements that are not historical facts. Words such as “expect(s)”, “feel(s)”, “believe(s)”, “will”, “may”, “anticipate(s)” and similar expressions are intended to identify forward-looking statements. These statements include, but are not limited to statements regarding future production, resources or reserves and exploration results. All such statements are subject to certain risks and uncertainties, many of which are difficult to predict and generally beyond the control of the Company, that could cause actual results to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. These risks and uncertainties include, but are not limited to: (i) those relating to the interpretation of drill results, the geology, grade and continuity of mineral deposits and conclusions of economic evaluations, (ii) risks relating to possible variations in reserves, grade, planned mining dilution and ore loss, or recovery rates and changes in project parameters as plans continue to be refined, (iii) the potential for delays in exploration or development activities or the completion of feasibility studies, (iv) risks related to commodity price and foreign exchange rate fluctuations, (v) risks related to failure to obtain adequate financing on a timely basis and on acceptable terms or delays in obtaining governmental approvals or in the completion of development or construction activities, and (vi) other risks and uncertainties related to the Company’s prospects, properties and business strategy. Our audience is cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof, and we do not undertake any obligation to revise and disseminate forward-looking statements to reflect events or circumstances after the date hereof, or to reflect the occurrence of or non-occurrence of any events.

The Company believes that it has a reasonable basis for making the forward-looking Statements in the presentation based on the information contained in this and previous ASX announcements.

The Company is not aware of any new information or data that materially affects the information included in this ASX release, and the Company confirms that, to the best of its knowledge, all material assumptions and technical parameters underpinning the exploration results in this release continue to apply and have not materially changed.

Appendix 5B

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

Name of entity

TG Metals Limited

ABN

40 644 621 830

Quarter ended ("current quarter")

30 June 2022

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (1 month) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(12)	(12)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	-	-
	(e) administration and corporate costs	(85)	(85)
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	221	221
	(Being balance of cash at bank from Pty Ltd company)		
1.9	Net cash from / (used in) operating activities	124	124
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	(75)	(75)
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (1 month) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(75)	(75)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	6,000	6,000
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	(310)	(310)
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	5,659	5,659

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	-	-
4.2	Net cash from / (used in) operating activities (item 1.9 above)	124	124
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(75)	(75)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	5,659	5,659

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (1 month) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	5,708	5,708

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	5,708	5,708
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	5,708	5,708

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	31
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<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>		
6.1	Includes Directors Fees, Salaries, and superannuation contributions.	

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)	124
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3	Total relevant outgoings (item 8.1 + item 8.2)	124
8.4	Cash and cash equivalents at quarter end (item 4.6)	5,708
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	5,708
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	46.03
<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:	
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:	

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:

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.

28 July 2022

Date:

By the Board

Authorised by:
(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.