

27 JANUARY 2023



Quarterly Activities Report For the quarter ended 31 December 2022

Corporate Highlights

- New MRE at the Crawford Gold Project: 3,745,000t at 1.0g/t for 117,800 ounces of gold (0.5g/t cut off grade)
- Modelling identifies new, more complex, gold zone discoveries that require further testing at Crawford
- Soils program targeting lithium, nickel and gold begins at the Ella's Rock Project in Forrestania
- New application adjacent to Ella's Rock increases land holding, targeting further untested greenstones
- Expert firms engaged for targeted flora and fauna surveys at Ella's Rock

Summary:

Cavalier Resources Limited (ASX: CVR) ('Cavalier' or 'the Company') is pleased to report on its activities during the three months ending 31 December 2022.

An updated resource was completed at the 100% owned Crawford Gold Project (Crawford), with modelling revealing multiple new mineralised zones, including the northern fresh rock zone and a southern sub-vertical lode. Results of this update were released in the ASX announcement "[Resource Update – Crawford Gold Project \(Corrected\)](#)" on 5 December 2022.

Exploration began on the largely green fields Ella's Rock Project, which lies in the prospective Forrestania region of Western Australia. A comprehensive soils campaign targeting lithium, nickel and gold was commenced, a lease application to expand the project area's exploration holding was made adjacent to the project, and environmental experts were engaged for surveys. See the ASX announcement "[Lithium, Nickel & Gold Targeted Soils Program at Ella's Rock](#)" released on 31 October 2022 for further information on these activities.

Daniel Tuffin, Executive Technical Director, commented:

“The December quarter proved a busy one for Cavalier Resources. Firstly, the Company began its exploration journey at the Ella’s Rock Project. Situated within the Forrestania province of Western Australia, the area is known for its nickel and gold mines, and of late prolific lithium targets, many of which remain untested.

Likewise, Ella’s Rock also remains largely untested. Located over multiple green stone targets that look prospective for sulphide mineralisation, the project also covers several large granitic intrusives, lying south of Forrestania Resources’ (ASX: FRS) lithium target corridor and immediately adjacent to their ‘Lake’ lithium target*.

Given this, the Company initiated a comprehensive soils program targeting lithium, nickel and gold, to be utilised in conjunction with geophysical data, to provide guidance for future drilling programs at the project.

In December, work on Crawford’s updated MRE was finalised. The total resource now stands at 3,745,000t at 1.0g/t for 117,800 ounces of gold. While most of the drilling was infill targeting a potential stage 1 area for a shallow oxide open pit mine, modelling on the extensional drilling revealed new multiple, complex gold zones that had not previously been known to exist, including a northern fresh rock deposit and a southern sub-vertical structure.

Given these new discoveries, the Pre-Feasibility Study was paused pending further review. Cavalier intends to revisit the Crawford project with a follow up exploration program planned for early 2023.”

*(See Forrestania Resources' ASX announcement "[Forrestania Project – Exploration Update](#)" dated 21 March 2022 for more information)

Updated Mineral Resource Estimate:

The 2022 updated Mineral Resource Estimate (MRE) for the Crawford Gold Project is outlined in Table 1 below.

Table 1: 2022 Crawford Mineral Resource Estimate

	Indicated			Inferred			TOTAL		
	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces
0.5g/t Au cut-off	1,154,000	1.0g/t	37,300	2,591,000	1.0g/t	80,600	3,745,000	1.0g/t	117,800
1.0g/t Au cut-off	412,000	1.5g/t	19,600	613,000	1.8g/t	36,300	1,025,000	1.7g/t	55,900

Some errors may occur due to rounding

Geological Modelling, Crawford Gold Project:

Five domains were modelled. Domains 1 to 4 are oxide domains modelled as flat lying supergene zones within the oxidised zone. Domain 5 has been modelled as a sub-vertical mineralised zone based on a series of holes that indicate a vertical structure rather than a flat lying zone. An additional northern fresh rock zone, which was not domained as part of the latest resource modeling was also discovered.

Both zones requires additional drilling to confirm the orientation and extent. See **Figures 1 & 2**, over.

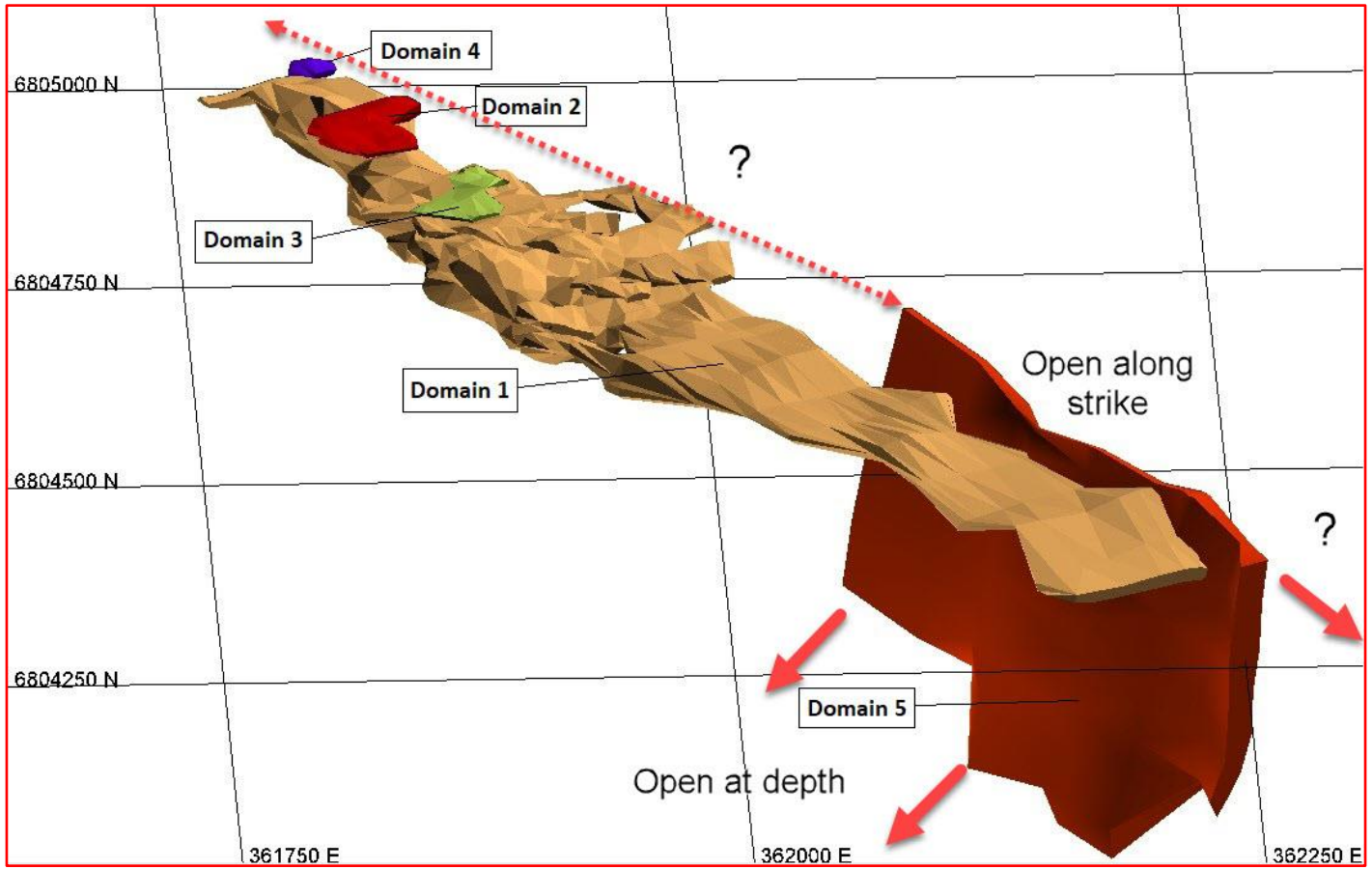


Figure 1: Modelled domains looking north-north-east. Note, northern fresh rock area is not shown as it remains undomains.

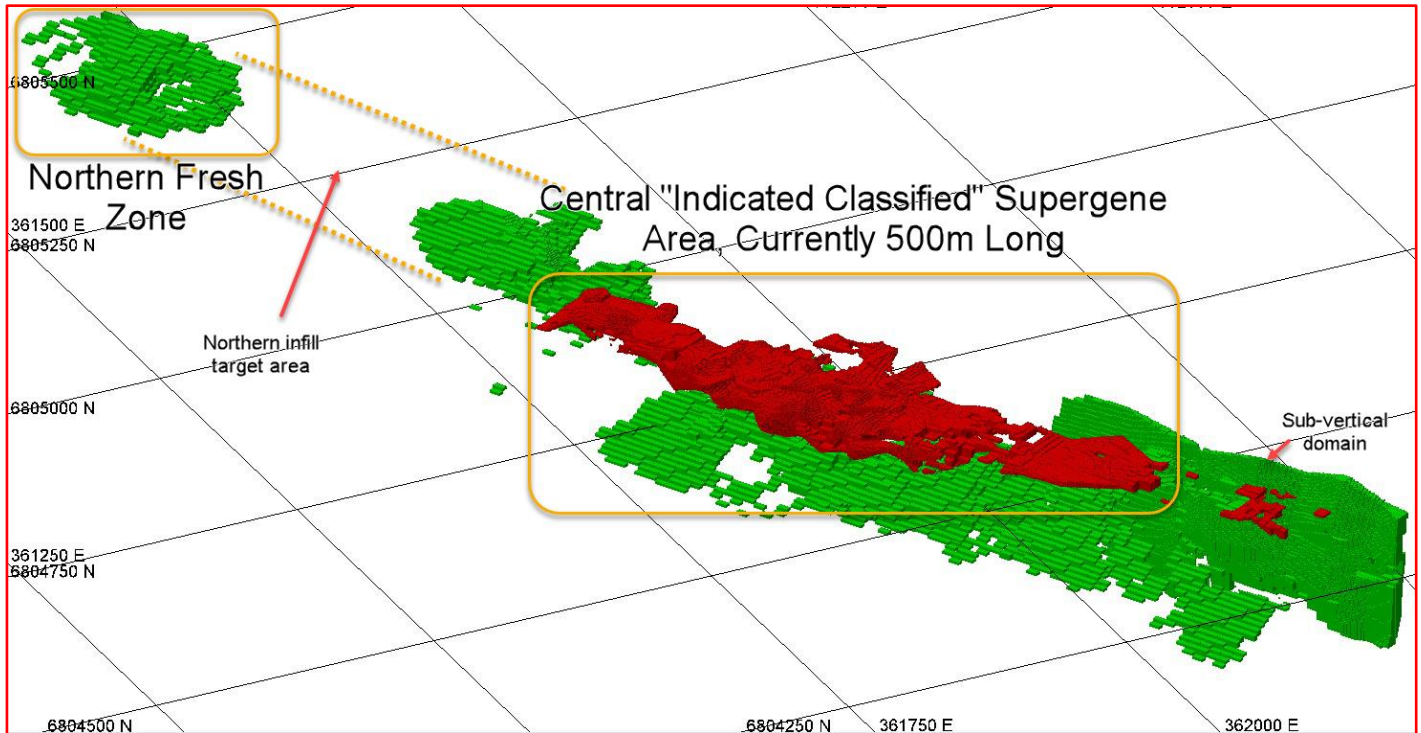


Figure 2: Crawford Resource Model Showing JORC Classifications (Red = Indicated, Green = Inferred) Along With Northern Fresh Zone and Infill Drilling Area

Exploration Activities, Ella's Rock Project:

The following activities took place at the Ella's Rock Project in Forresteria:

- Commencement of an extensive soils program targeting lithium, nickel and gold
- New lease application E77/2298 targeting untested possible greenstones at depth and also sizably increasing potential land holding
- Expert firms Terrestrial Ecosystems and Native Vegetation Solutions were engaged for targeted flora and fauna surveys



Figure 3: Forresteria Area

Exploration Expenditure

In accordance with ASX Listing Rule 5.3.1, the Company spent \$458,000 on exploration work during the quarter, which comprised planning and drilling.

Mining Production and Development Expenditure

In accordance with ASX Listing Rule 5.3.2, there were no substantive mining production and development activities during the quarter.

Tenement Information

In accordance with ASX Listing Rule 5.3.3, the Company advises the following:

- (1) Tenements P37/9447, P37/9448 and P37/9449 were granted during the quarter;
- (2) The mining tenements held by the Company as at 31 December 2022 are set out in the table below;
- (3) There were no farm-in or farm-out agreements entered into during the quarter; and
- (4) The Company held no beneficial percentage interests in farm-in or farm-out agreements as at the end of the quarter.

Project	Tenement	Status	Registered Holder / Applicant	Percentage Ownership
Leonora Gold Project • Gambier Lass North	E37/893	Granted	Cavalier Resources Limited	100%
	E37/1421	Granted	Maximal Investments Pty Ltd	100%
	E37/1422	Granted	Maximal Investments Pty Ltd	100%
	E37/1423	Granted	Maximal Investments Pty Ltd	100%
	E37/1424	Granted	Maximal Investments Pty Ltd	100%
Leonora Gold Project • Crawford	M37/1202	Granted	Cavalier Resources Limited	100%
	P37/8901	Granted	Cavalier Resources Limited	100%
	P37/9475	Granted	Cavalier Resources Limited	100%
	P37/9476	Granted	Cavalier Resources Limited	100%
	P37/9447	Granted	Cavalier Resources Limited	100%
	P37/9448	Granted	Cavalier Resources Limited	100%
	P37/9449	Granted	Cavalier Resources Limited	100%
	E39/2378	Application	Cavalier Resources Limited	100%
L37/251	Application	Cavalier Resources Limited	100%	
Hidden Jewel Gold Project	E24/232	Application	Cavalier Resources Limited	100%
	E24/237	Application	Cavalier Resources Limited	100%
	P24/5568	Application	Cavalier Resources Limited	100%
Ella's Rock Nickel-Gold Project	E74/662	Granted	Matrix Exploration Pty Ltd	100%
	E74/717	Granted	Cavalier Resources Limited	100%
	E74/718	Granted	Cavalier Resources Limited	100%
	E77/2998	Application	Cavalier Resources Limited	100%

Use of Funds

In accordance with ASX Listing Rule 5.3.4, a comparison of the Company's actual cash expenditure since listing against the "use of funds" statement outlined in the Prospectus is included below:

Allocation of Funds	Current Qtr (\$'000)	Since Listing (\$'000)	Two-year Use of Funds as per IPO Prospectus dated 4 April 2022 (\$'000)
Exploration Expenditure - WA	458	1,262	3,300
Expenses of the Offer	-	570	552
Administration and Working Capital	170	472	1,298
Total	628	2,304	5,150

Payments to Related Parties

In accordance with ASX Listing Rule 5.3.5, the Company advises that the payments to related parties of the Company and their associates, as advised in the Appendix 5B, for the quarter ended 31 December 2022 was \$147,000, of which \$70,000 was related to exploration consulting services and \$77,000 to Directors' fees, accountant and company secretarial related services.

Competent Person Statements

The information in this report that relates to the Mineral Resources estimate is based on information compiled by Richard Maddocks, a Competent Person who is a Fellow of The Australasian Institute of Mining and Metallurgy. Richard Maddocks is employed by Auranmore Consulting, an independent consultant to Cavalier Resources Limited. Richard Maddocks has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken 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'. Richard Maddocks consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

This announcement has been approved and authorised by the Board of Cavalier Resources.

For further information:

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About Cavalier Resources

The Company has interests in Tenements in Western Australia, collectively known as the Leonora Gold Project, Hidden Jewel Gold Project, and Ella's Rock Nickel-Gold Project, prospective for gold and nickel mineralisation.

For more information on Cavalier Resources and to subscribe to our regular updates, please visit our website here and follow us on:



<https://twitter.com/CavalierLtd>



<https://www.linkedin.com/company/cavalier-resources-ltd/>



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Appendix 5B

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

Name of entity

Cavalier Resources Limited

ABN

16 635 842 143

Quarter ended ("current quarter")

31 December 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(54)	(54)
(b) development	-	-
(c) production	-	-
(d) staff costs	(46)	(87)
(e) administration and corporate costs	(124)	(303)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	7	10
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)	1	6
1.9 Net cash from / (used in) operating activities	(216)	(428)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation	(458)	(1,173)
(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 (6 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)	-	-
2.6	Net cash from / (used in) investing activities	(458)	(1,173)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	-
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,477	4,404
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(216)	(428)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(458)	(1,173)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

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 (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	2,803	2,803

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	2,803	3,477
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)	2,803	3,477

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	77
6.2	Aggregate amount of payments to related parties and their associates included in item 2	70

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 <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.		
	N/A		

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

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(216)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(458)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(674)
8.4 Cash and cash equivalents at quarter end (item 4.6)	2,803
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	2,803
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	4.15
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	
8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: N/A	
<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

- 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: 27 January 2023

Authorised by: By the Board of Directors of Cavalier Resources Limited
(Name of body or officer authorising release – see note 4)

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

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.