KRAKATOA
RESOURCES LTD.

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31 January 2022

December 2021 Quarterly Activities Report

Highlights

MT CLERE REEs, HMS & Ni-Cu-PGEs PROJECT

- **A 1,966 line-kilometre VTEM™ Max survey was completed over interpreted structurally complex areas with mafic-ultramafic intrusive complexes within the Narryer Terrane**
- **The survey was designed to target basement Ni-Cu-PGE sulphide systems**
- **A maiden 3,383m (95 hole) reconnaissance air core (AC) drilling program was completed, of which:**
  - **39 holes for 1,047m around the Tower area, (clay hosted REE mineralisation)**
  - **7 holes for 242m to test deeply-weathered regolith profiles across the erosional plain, testing for possible clay hosted REE, and**
  - **49 holes for 2,094m across the alluvial plain, testing for heavy mineral sands (HMS) including monazite and zircon, and the potential for any secondary ionic weathered clay hosted REE**

RAND GOLD PROJECT

- **Ionic clay hosted REE discovered over Bullseye area**
- **REE Metallurgical testwork underway**
- **Significant and strategic new regional land holding applications submitted, expanding the Rand Project by a further 2,241km^2**
- **Extensive Augur Soil survey completed over the Bulgandry Goldfield, expanding on previous work**

BELGRAVIA PROJECT

- **Diamond drilling at the Sugarloaf porphyry completed for two holes and 1,039m.**
- **Dipole-dipole IP survey defines new, significant buried, porphyry style chargeable anomaly at Bella-Larras Lee target**

DALGARANGA PROJECT

- **Significant Exploration Target estimate over pegmatite body surrounding existing open pit**
- **Exploration target of between 1.47-3.18Mt containing Rb (500-2,000ppm), Ta (25-100ppm), Nb (100-500ppm) and Li (50-300ppm)**
- **Modelling demonstrates mineralisation open below historical drilling**
- **Resource drilling being planned to commence Q1-22**

COMPANY

- **Cash on hand at end of the quarter is $1.36M.**

Krakatoa Resources Limited (**ASX: KTA**) ("Krakatoa" or the "Company") is pleased to provide the following summary of activities conducted over the December 2021 quarter, which firmly focused on systematic exploration at the Company's Mt Clere project in the Yilgarn Craton, WA, Belgravia Project in the Lachlan Fold Belt, NSW, Rand project in NSW, and Dalgaranga Project in WA, all of which are 100% owned.

Mt Clere REES, HMS & Ni-Cu-PGEs Project

Overview

The Mt Clere project is located approximately 200km northwest of Meekatharra, within the Narrayer terrane, Gascoyne Region, Western Australia.

The Narryer Terrane is thought to represent reworked remnants of greenstone sequences that are prospective for intrusion-hosted Ni-Cu-(Co)-(PGE's). Chalice Gold Mines (ASX: CHN) recent Ni-Cu-PGE Julimar discovery, located near Perth in the similarly aged Southwest terrane, has renewed exploration interest in the Narryer terrane. Like the former, the Narryer terrane, which forms the northwest margin of the Yilgarn Craton, consists of relatively high-grade granitic gneisses interlayered with metasedimentary rocks that are intruded by granite and pegmatite. Thus, the Narryer terrane is prospective for similar mineralisation-styles including Ni-Cu-PGE (e.g. Julimar) and orogenic gold (e.g. Boddington).

The Project also contains significant opportunities related to rare earth elements, in particular via the previously identified widespread monazite sands concentrated within the drainage networks of the northern tenure. Other valuable heavy minerals such as zircon (to 60%), and ilmenite (to 29%) with lesser rutile, leucoxene, and xenotime, were historically recovered in samples from the same area, favourable for large placer resources of easily recoverable material.

The source of the monazite is postulated as coming from either REE ion adsorption clays within the widely preserved deeply weathered lateritic profiles developed in gneissic rocks or potentially from monazite-rich carbonatites associated with the adjacent Mt Gould Alkaline Province.

Recent Activities

During the Quarter, the Company completed a 1,966 line-kilometre VTEM Max survey and a 3,383-metre reconnaissance air core drilling program.

Reconnaissance AC Drilling

The reconnaissance drilling program consisted of 95 holes for 3,383 meters. A total of 39 holes (for 1,047m) were drilled into the deeply weathered relict regolith profiles around the Tower anomaly; an additional 7 holes (for 242m) were drilled into the deep regolith north of the Tower area; and two traverses totalling 49 holes (for 2,094m) were drilled along the vast alluvial terraces in the south of the Wheelo Creek catchment area (Figure 1).

The Tower area drilling was to test for well-developed clay-rich regolith profiles that could be prospective for ion adsorption REE mineralisation (Figure 2). Most of the holes intersected the expected bedrock of alkaline granitic and gneissic basement rocks, which are typical precursor rocks for this style of mineralisation.

Drilling over the alluvial terraces was designed to test the viability of heavy mineral sands (HMS) including monazite sands and the potential for secondary ionic weathered clays. Two significant drill hole traverses

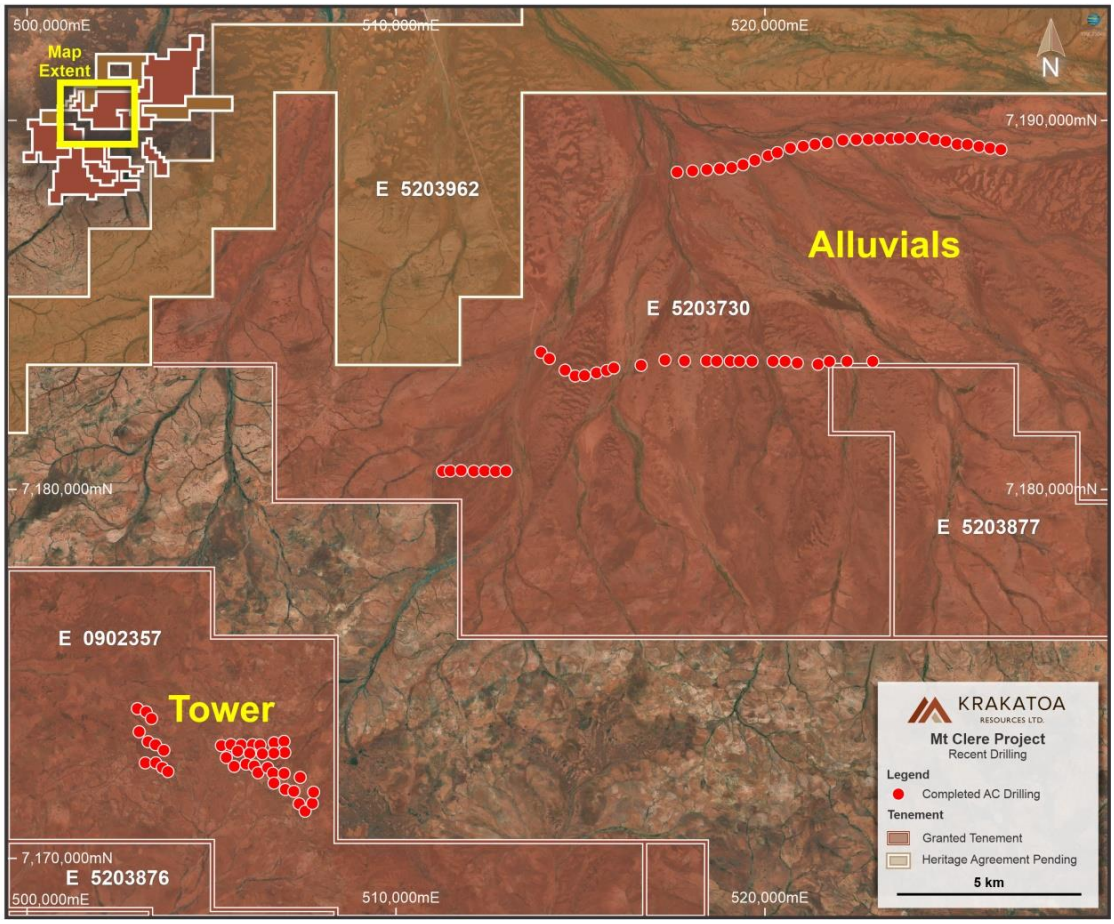

Figure 1 *Location of the drill holes within the Krakatoa Resources exploration licenses.*

Figure 2 *Photographs of typical drill spoil from aircore holes drilled in the Tower area (21MAC021 and 21MAC029).*

were completed, with the south line run over along the mid-level alluvial plain and the north line drilled within the lower reaches of the plain (Figure 1).

Drilling over the alluvial terraces was designed to test the viability of heavy mineral sands (HMS) including The southern line encountered a mixture of shallow felsic crystalline bedrock (less than 10 metres) and several areas exhibiting deeper regolith profiles (up to 81 metres deep) with some transported material. The northern line was more consistent and encountered considerable thicknesses of recently transported material (23 to 39 metres), then generally passed into a stripped (eroded) regolith profile underneath. Most holes in this line were terminated at around 40 meters, or upon drilling through the transported material.

Samples are currently being prepared for laboratory analysis with results expected to be returned late first quarter 2022.

VTEM Survey

UTS Geophysics Pty Ltd completed an extensive helicopter-borne Versatile Time Domain Electromagnetic (VTEMTM Max) geophysical survey system (Figure 3) over a large proportion of the southern tenements and three discrete targets in the north at the Mt Clere project. VTEM is an effective first-pass screening tool for detecting shallow conductive sources such as accumulations of sulphides.

A total of 1,966 line-kilometres was flown over areas identified within the Narryer Terrane which show structural complexity, and where strong magnetic anomalies and surface nickel and chromium geochemical results indicate that these areas represent reworked remnants of greenstone sequences that are prospective for intrusion-hosted Ni-Cu-(Co)-(PGE's) and possible gold. There are mafic and ultramafic intrusive bodies identified within these areas.

Data was received in December and interpretation was complete in January 2022.

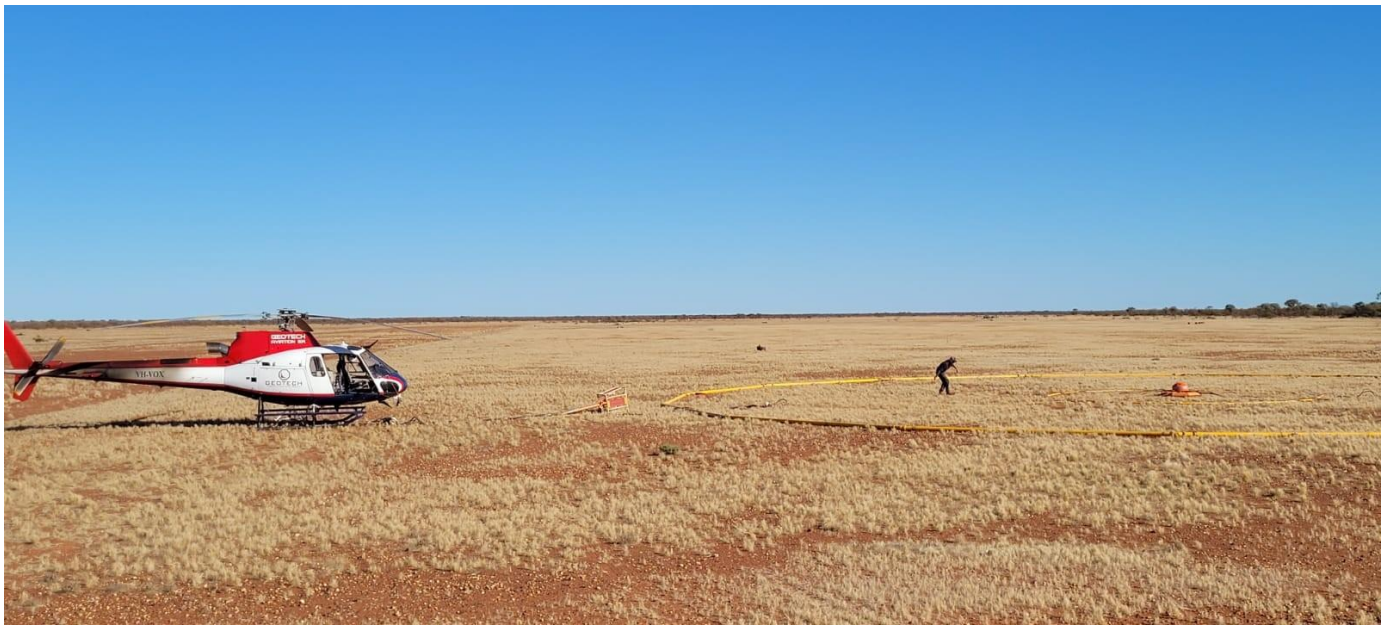

Figure 3 *Photograph of the UTS Helicopter setting up the VTEM transmitter and receiver loops*

Rand IRGS & REE Project

Overview

The Project is located approximately 60km NNW of Albury in southern NSW and contains a 40km structural corridor with the prospective geology largely masked by colluvium.

The tenement captures the historical Bulgandry Goldfields which demonstrates the prospectivity for shear-hosted and intrusion-related gold. Production records from several of the mines within this goldfield such as the Show Day and Welcome Find reefs show substantial gold grades, including 512oz from 60 tons and 70oz from 74 tons, being extracted from the exposed quartz veins.

Past exploration has concentrated on the areas of outcrop and was limited to the Show Day and Welcome Find Reefs. Prior to Krakatoa, the Lone Hand and Goodwood Reefs have not been explored since their original closure pre-1902.

Recent Activities

During the quarter, the Company completed a significant infill and extensional auger soil geochemical survey ("Phase 2") over the Bulgandry Goldfield and discovered significant levels of clay hosted rare earth elements (REE) within the regolith cover of the Bullseye prospects.

Auger Soil Survey

This phase comprised 833 samples taken across an area of over 35 km^2 spanning 7.8 kms E-W by 4.5 kms N-S. It was designed to better resolve the numerous gold and multi-element anomalies defined by the Phase 1 survey (Figure 4).

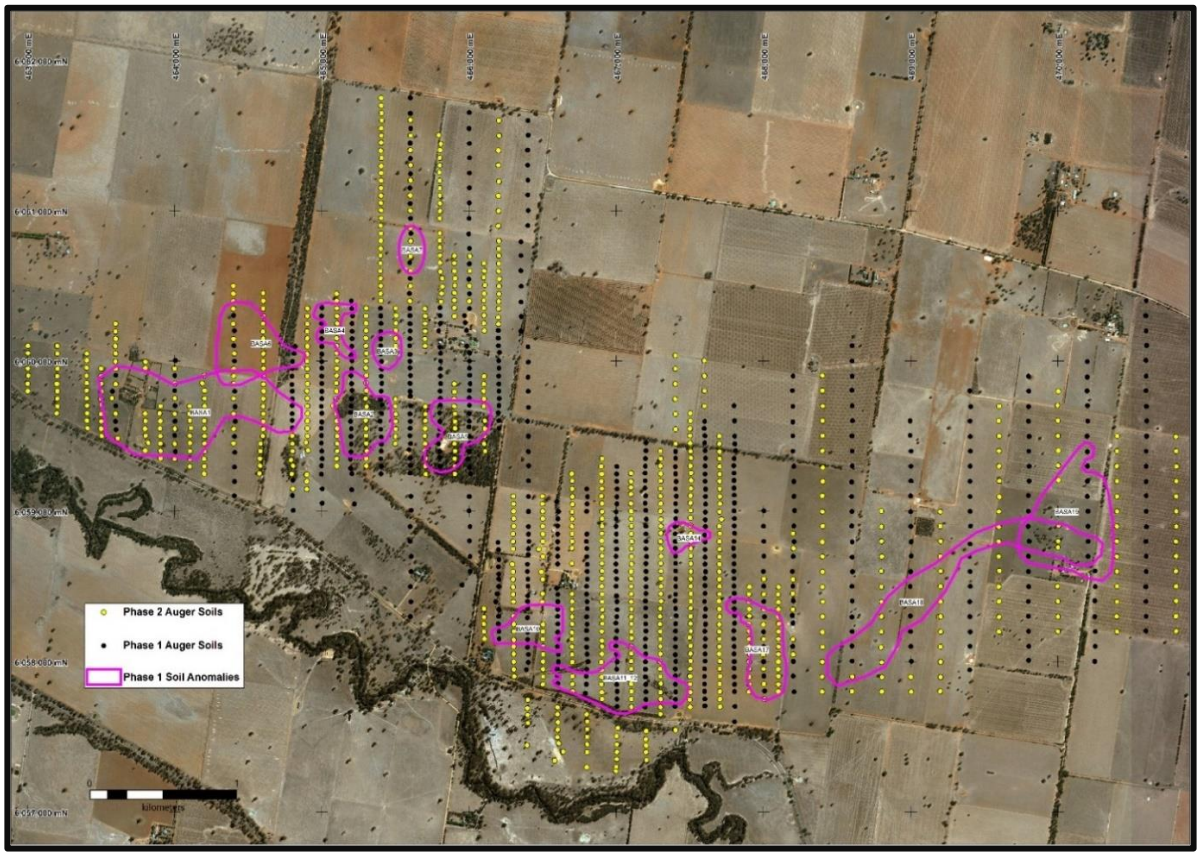

Figure 4 *Map showing phased completed soil points and anomalies identified with the Phase 1, (MGA94 zone 55)*

North-south oriented infill lines were spaced at 100 metres with 50 metre sample centres. Extension lines were either at a 100 or 200 metre spacing, with 50 metre samples centres. Raw (unsieved), bulk 300–500-gram samples were taken nominally within the B horizon from in situ soils. The sample batch has been freighted to Labwest in Perth where they will undergo ultrafine analysis ("UFF-PE") for Au and a full multi-element suite. Assay results are expected in first quarter of 2022.

Ionic Clay Hosted REE Discovery

In early 2021 the Company completed 43 vertical AC drill holes (~2,762 meters) over the Bullseye prospect to assist with identification of the bedrock and investigation of IP areas of interest. Samples were initially taken as 2 to 5 metres composites with 1 metre samples taken near the bottom of hole. In addition to the gold and strongly anomalous IRGS pathfinder elements identified, high levels of Cerium (Ce), Lanthanum (La) and Yttrium (Y) were also recorded.

A small batch of 16 existing laboratory pulp samples (from 13 drillholes) were selected for rare earth elements analysis. This test work revealed significant levels of widespread REEs, with abundant quantities of Neodymium, Praseodymium and Yttrium within the various geological environments sampled. Five holes (HAC020, HAC023, HAC025, HAC029 and HAC043) were then selected to undertake full hole analysis for REEs using full digestion.

All identified lithological areas were tested. Most of the samples were taken from the various regolith weathering profiles within the metasediments (Abercrombie Fm) while only two were sourced from holes over the intrusives bodies.

Significant REE intersections discovered over re-assayed samples include:

- 11m @ 1,223ppm TREO from 43m (HAC020)
- 7m @ 1,285ppm TREO from 42m; within 28m @ 598ppm TREO from 38m to EOH (HAC023)
- 4m @ 1,424ppm TREO from 35m; within 12m @ 633ppm TREO from 31m (HAC029)
- 8m @ 1,230ppm TREO from 9m; within 35m @ 579ppm TREO from 1m to EOH (HAC043)

Full details of the program, drill hole details and results can be found in the 8 December 2021 ASX Announcement.

Detailed studies into the basement rock, along with metallurgical salt solution (pH 4-5, slightly acidic) leach test work will be undertaken on samples. Additional air core drilling is being planned over the granted tenements in the 2022.

Belgravia Cu-Au Porphyry Project

Overview

The Belgravia Project (EL8153) covers an area of 80km^2 and is located in the central part of the Molong Volcanic Belt (MVB), Lachlan Fold Belt, NSW. It contains the same rocks (Fairbridge Volcanics and Oakdale Formation), or their lateral equivalents, that respectively host the giant Cadia-Ridgeway mine 35km south and Alkane Resources' Boda discovery 65km north. Historical exploration at Belgravia has failed to adequately consider the regolith and tertiary basalt (up to 40m thick) that obscures much of the

prospective geology. The Project contains six targets with considerable exploration potential for porphyry Cu-Au and associated skarn mineralisation.

Recent Activities

During the quarter the Company completed a 2 hole diamond drilling program to test the prominent structurally bound magnetic low Sugarloaf target and completed a Dipole Dipole Induced Polarisation (DDIP) survey along the western tenement anomalies.

Diamond Drilling

The two core holes (SDD001 and SDD002) totalling 1039.3 metres tested a coincident annular soil geochemical anomaly and magnetic feature. The holes intersected predominantly massive volcaniclastic sandstones, conglomerates and fine breccias and basalts with minor jaspers and laminated and pyritic siltstones and mudstones. A total of 236 core samples were submitted to ALS Global for Au and multi-element analysis. Assay results were subdued with no significant intersections returned. Maximum individual grades were 0.022 g/t Au (over 1.0m in SDD002 from 102 metres) and 720 ppm Cu over 1 metre (from 48 metres in SDD001).

The Company is still waiting for the report from 23 petrography samples and completion of the interpretation of hyperspectral and whole rock analysis results. On completion of the outstanding work full interpretation of the system and further targeting will be undertaken.

Dipole-Dipole Induced Polarisation (DDIP) Survey

A DDIP survey was completed over the Sugarloaf and Bella-Larras Lee target areas in November-December 2021 for a total of 25.2 line kms. The survey was completed by Fender Geophysics and data modelled by Montana GIS. All lines were oriented East-West at with a nominal spacing of 400 metres with 100 metre (Tx and Rx) dipole spacing and maximum depth penetration of N = 16. The survey was designed to look for large, potentially buried porphyry mineralisation.

Three main anomalies were defined over the Sugarloaf target. These range from moderately to strongly chargeable and moderately conductive to strongly chargeable and highly conductive. Each anomaly requires future ground-checking.

Results from the Bella-Larras Lee target area show that the most significant feature is a moderately chargeable-strongly resistive feature, 200 metres wide and approximately 300 m below surface. This could represent an intrusive (such as a diorite) with disseminated sulfide. Further infill DDIP work will be required to help better define this feature and then if warranted, a small drilling program.

Dalgaranga Tech & Battery Elements Project

Overview

The Dalgaranga Project is located 80km northwest of Mount Magnet in Western Australia and sits within the Dalgaranga Greenstone Belt. The Dalgaranga Greenstone Belt is about 50km long and up to 20km wide and contains gold mineralisation (Dalgaranga gold mine), a zinc deposit (Lasoda), graphite deposits, and occurrences of tantalum, beryllium, tin, tungsten, lithium and molybdenum related to pegmatites.

The presence of critical metal minerals such as tapiolite, tantalite, columbite, zinnwaldite and lepidolite (lithium-bearing micas) were recognised during field mapping and confirmed anomalous critical metals during the rock chip sampling programmes completed in late 2016 to mid-2017. Opportunistic rock sampling over this period was previously reported in ASX announcement (16 June 2017 and 17 August 2017) revealed the presence of anomalous rubidium (peak values of >5,000ppm (sample AD004) and 3463.9ppm Rb (sample 17D022)) Tantalum (1,854ppm Ta_2O_5 (sample 16D016), and Niobium (725ppm Nb in sample 16D005) within the mine and southern pegmatite area.

Recent Activities

During the quarter, the Company completed a review of all historical drilling and announced a maiden Exploration Target estimated at between 1,470,000 to 3,185,000 tonnes with estimated grades of Rubidium, Lithium and Niobium, Tantalum, Tin and Tungsten as shown in Table 1 below.

Table 1: Exploration Target Estimate (grades in ppm)

Tonnes	Rb	Li	Nb	Ta	Sn	W
1,470,000 – 3,185,000	**500 - 2,000**	50- 300	100- 500	25-100	50-700	10-100

The potential quantity and grade of the Exploration Target is conceptual in nature and is therefore an approximation. There has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource. See ASX Announcement 8 November 2021 for further details of the Target estimation.

The Company is undertaking geophysical testing to help identify blind pegmatites (those that don't outcrop). The company intends to undertake drilling over the main modelled pegmatite (Figure 5) during the first half of next year to test the historical zones for rubidium and lithium - which were not assayed for in pervious historical drilling - in order to delineate a multi-element resource.

Both programs will significantly expand the exploration potential around the historic Dalgaranga tantalum mine including the known (previously mapped) pegmatite swarms to the south. Heritage approvals are being sort to allow drilling to commence as soon as possible.

Mac Well Gold Project

Overview

The Mac Well Project has a land area of 66.9km^2 and is located 10km west of the Company's Dalgaranga Project. The Project contains a 7.5km strike along the prospective Warda Warra greenstone belt, mostly untested due to a thick transported cover. The Company considers favourable structural conditions for gold mineralisation are likely within the Mac Well tenement, acknowledging the significance and prospectivity of the western granite-greenstone contact, as evidenced by the Western Queen Mine.

Recent Activities

Exploration programs for the 2022 year were designed and budgeted during the quarter. Soil surveys and drilling of historical VTEM targets are envisaged to be undertaken within the next 12 months.

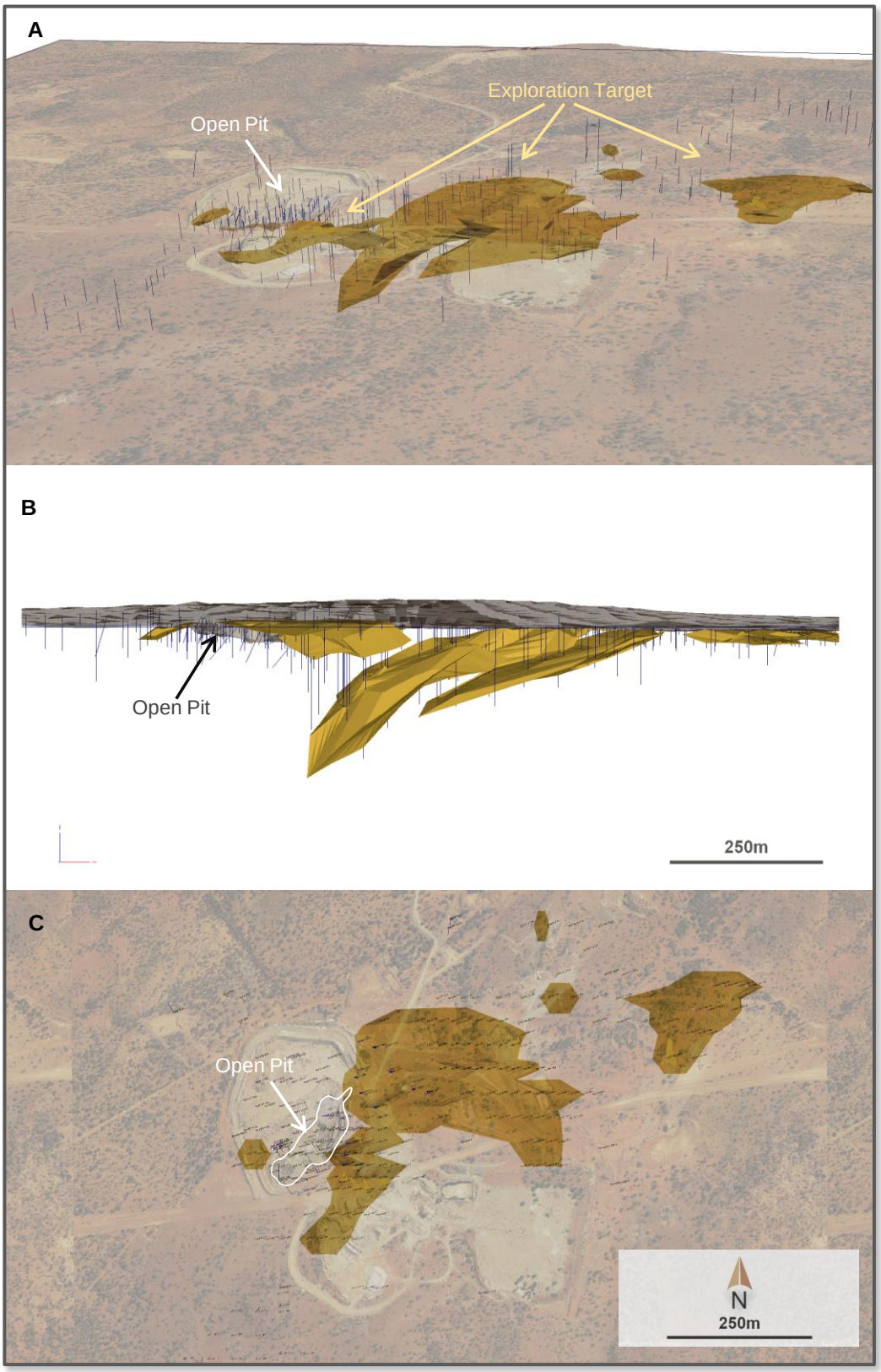

Figure 5 *Geological model of pegmatite shown with transparent satellite image.* ***A)*** *Oblique view looking NNE indicating historical Open pit area and modelled Exploration Target.* ***B)*** *Cross section looking North showing drill trace, Exploration Target and area of open pit.* ***C)*** *Plan view showing aerial extent of Exploration Target and historical mine infrastructure.*

Turon Gold Project

Overview

The Turon Project covers an area of 120km^2. It is situated approximately 50km east of the Company's Belgravia Project and 60km northeast of Newcrest Mining's Cadia Valley Operations, in the Hill End Synclinorial Zone, NSW. The geology at Turon bears many similarities in terms of host-rocks, structural- and mineralisation-style to other high-grade turbidite-hosted gold deposits, including Fosterville in the Bendigo-Ballarat zone, central Victoria.

Recent Activities

No work was conducted on the Turon Project during the last quarter.

Corporate

Cash on hand as the end of the quarter was $1.36M at quarter end.

Exploration

ASX Listing Rule 5.3.1: Exploration and Evaluation Expenditure during the Quarter was $955k. Exploration during the Quarter largely comprised of drilling, geochemical surveys, VTEM survey and target generation - full details of activity during the Quarter are set out above. ASX Listing Rule 5.3.2: There were no mining production and development activities during the Quarter.

Tenements held by the company, at the end of the quarter are presented in Appendix 1.

Related Party Payments

Pursuant to item 6 in the Company's Appendix 5B – Quarterly Cashflow Report for the Quarter ended 31 December 2021, the Company made payments of $81k to related parties which relate to existing remuneration arrangements (director fees and superannuation).

Authorised for release by the Board.

Yours faithfully,

Colin Locke
Executive Chairman

Disclaimer

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 of 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.

Competent Person's Statement

The information in this announcement is based on, and fairly represents information compiled by Mark Major, Krakatoa Resources CEO, who is a Member of the Australasian Institute of Mining and Metallurgy and a full-time employee of Krakatoa Resources. Mr Major has sufficient experience relevant to the style of mineralisation and type of deposit under consideration, and to the activity which he has undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Major consents to the inclusion in this announcement of the matters based on this information in the form and context in which it appears.

ASX Announcement (Price Sensitive) released during the Quarter

Date	Headline
7-Oct-21	Major Developments at Dalgaranga Critical Metals Project, WA
26-Oct-21	Quarterly Activities & Appendix 5B Report
28-Oct-21	Clay Hosted REE Drilling Imminent at Mt Clere
8-Nov-21	Critical Metals Exploration Target Defined at Dalgaranga
18-Nov-21	Sugarloaf Porphyry Deep Diamond Drilling Completed
22-Nov-21	Heliborne VTEM Targeting Ni-Cu-PGE Commenced at Mt Clere
24-Nov-21	Clay Hosted REE Drilling commences at Mt Clere
8-Dec-21	Ionic Clay Hosted Rare Earths Discovered at Rand Project

Appendix 1 - Details of Tenements Held at 31 Dec 2021

Project	Tenement Licence	Interest held at at 30 Sept 2021	Interest acquired/ disposed	Interest held at 31 Dec 2021
Belgravia	EL8153	100%	-	100%
Turon	EL8942	100%	-	100%
Rand	EL9000	100%	-	100%
Rand	EL9276	100%	-	100%
Rand	EL9277	100%	-	100%
Mt Clere	E09/2357	100%	-	100%
Mt Clere	E52/3730	100%	-	100%
Mt Clere	E52/3731	100%	-	100%
Mt Clere	E52/3836	100%	-	100%
Mt Clere	E52/3873	100%	-	100%
Mt Clere	E52/3876	100%	-	100%
Mt Clere	E52/3877	100%	-	100%
Mt Clere	E51/1994	100%	-	100%
Mt Clere	E52/3938	-+	-	-+
Mt Clere	E52/3962	-+	-	-+
Mt Clere	E52/3972	100%	-	100%
Mac Well	E59/2175	100%	-	100%
Dalgaranga	P59/2082	100%	-	100%
Dalgaranga	P59/2140	100%	-	100%
Dalgaranga	P59/2141	100%	-	100%
Dalgaranga	P59/2142	100%	-	100%
Dalgaranga	E59/2389	100%	-	100%
Dalgaranga	E59/2503	-+	-	-+

+ Tenement applications subject to grant

Appendix 5B

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

Name of entity	
KRAKATOA RESOURCES LIMITED	
ABN	**Quarter ended ("current quarter")**
39 155 231 575	31 December 2021

	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	(955)	(1,309)
	(b) development		
	(c) production		
	(d) staff costs		
	(e) administration and corporate costs	(240)	(434)
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 (provide details if material)		
1.9	**Net cash from / (used in) operating activities**	**(1,195)**	**(1,743)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment	-	(17)
	(d) exploration & evaluation		
	(e) investments		
	(f) other non-current assets		

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**	**-**	**(17)**

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	-	782
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**	**-**	**782**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	2,559	2,342
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,195)	(1,743)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(17)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	782

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**	**1,364**	**1,364**

5.	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	**Current quarter $A'000**	**Previous quarter $A'000**
5.1	Bank balances	1,364	2,559
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)**	**1,364**	**2,559**

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	81
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** *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.*	**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)	(1,195)
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)	(1,195)
8.4	Cash and cash equivalents at quarter end (item 4.6)	1,364
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	1,364
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	1.14

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 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: The Company undertook an aggressive exploration program during the quarter with $955k spent which included 2 drill campaigns, a VTEM survey and an auger geochemical program amongst other work. Due to the nature of the Company's activities, it is likely that the Company will continue to experience negative operating cash flows, however exploration spend over the coming quarters is not expected to be of the same magnitude as the December 2021 quarter.

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: Yes, the Company will look to raise capital through its existing LR7.1 and/or LR7.1A capacity to continue exploration on its projects, as and when required. The Company believes it would be successful in raising sufficient funds to continue with the planned level of operations.

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 for the reason noted in 8.8.2 above

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: **31 January 2022**

Authorised by: **By the Board**
(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.