

19 October 2021

September 2021 Quarterly Activities Report

Protean Energy Ltd (**Protean** or the **Company**) provides shareholders its quarterly report for the three-month period ending 30 September 2021.

Soil Sampling completed at Gwesan Vanadium Project

On 1 October 2021, the Company announced that its independent Korean consultants, GeoGeny Consultants Group Inc (GeoGeny), had completed the soil sampling at its Gwesan Vanadium Project in South Korea further to the announcement on 17 August 2021.

The soil sampling was conducted to further investigate the mineralization potential of Gwesan 137 prospect.

Key points arising from the soil sampling fieldwork conducted by GeoGeny are as follows:

- The mineralization of Gwesan Vanadium Project is a strata-bound black shale type embedded in the graphitic slate of Guryongsan formation. The mineralization potential of Gwesan 137 prospect belongs to south-west part of Hansung orebody with general NE trending and remains open toward adjacent tenement of Gwesan 127¹
- The soil sampling of Gwesan 137 involved grid spacing at approximately 50m interval along NE trending to check the continuity of strike direction, and at 5~10m intervals along dip direction of the graphitic slate to identify the repeated mineralization potential (refer to Figure 1).
- Besides the grid sampling, the orebody samples of Gwesan 127 were taken at the historic site of waste disposal and mined-out area to confirm the mineral contents of historical orebodies.
- A total of 330 soil samples were collected in the field survey, which comprised 313 samples of Gwesan 137 and 17 samples of Gwesan 127. The field samples were sieved to -1mm to generate a sample of approximate 250g for assaying.
- For quality assurance quality control (QAQC) measures, 30 duplicate samples and 40 QAQC samples of CRM and blank were prepared in the process of sample preparation.

The soil sampling program will be conducted based on industry standard practices including sampling and assay methods. Approximately 400 samples including duplicate and QAQC samples will be submitted to an ISO accredited commercial laboratory in Australia if available, for multi-commodity analysis of ICP method.

The Company will provide updates when assaying results are available.

¹ Refer to POW ASX announcement dated 17 August 2021

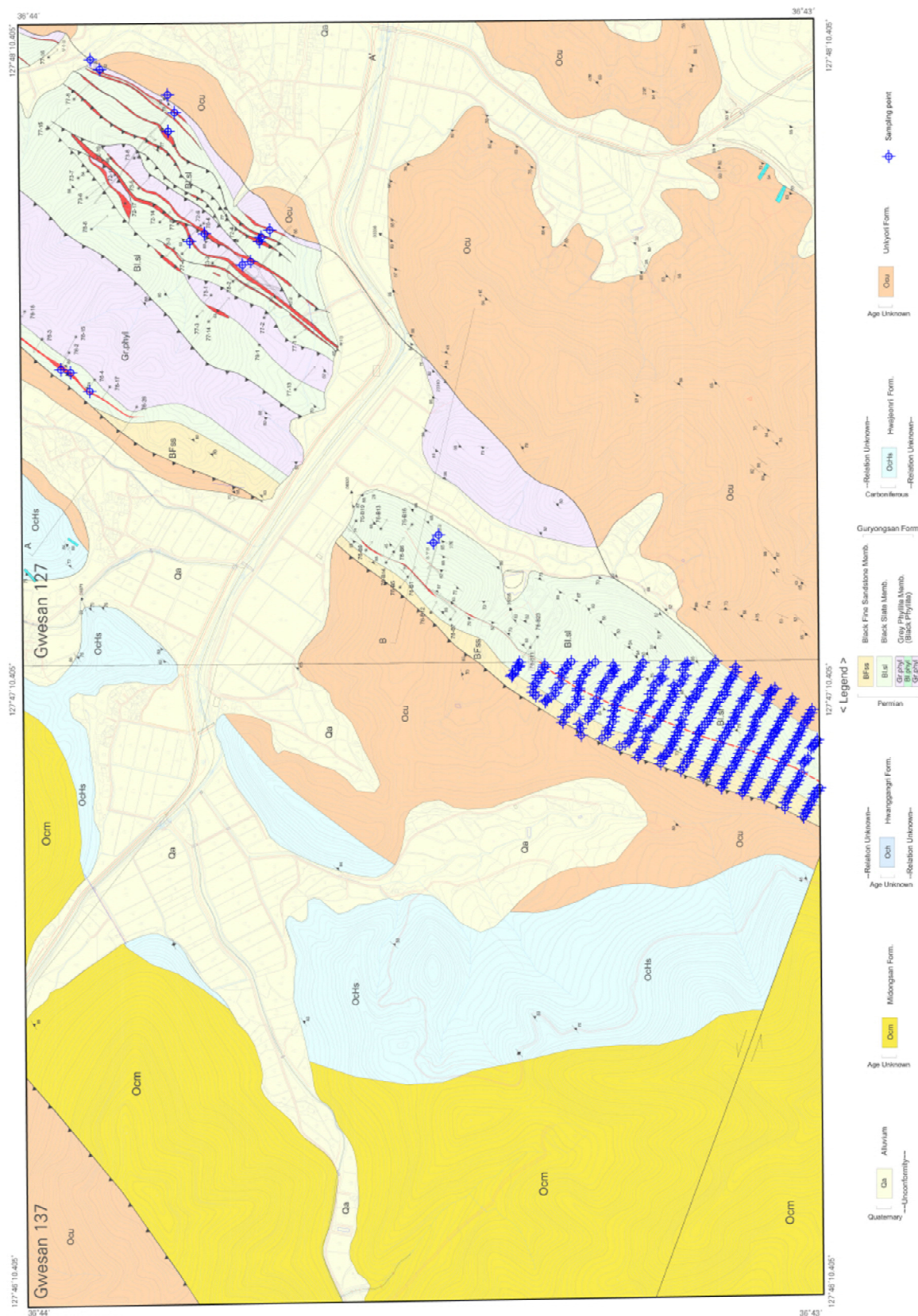


Figure 1. Sampling location of Gwesan Vanadium Project

Gwesan Vanadium Project Background

The Geology in the Okcheon belt consists of meta-sedimentary sequence that is composed of three formations including the Wunkyori, Hwajeonri and Guryongsan. The stratigraphical sequence within the belt at the Gwesan project comprises a dark grey Phyllite, followed by the black shale (ore zone) and a fine grained sandstone. The historical drilling at the Gwesan project has intercepted black shale along a 10km strike.

The mineralised black shale has been under-targeted in the past and drilling completed in 2013 has shown and confirmed the potential for Vanadium mineralisation hosted by the black shale (refer ASX release 13 November 2013).

Daejon Project

No material exploration was undertaken on the Daejon Project.

The Company is continuing to review the project to assess options moving forward.

Additional ASX Information

Protean provides the following information pursuant to ASX Listing Rule requirements:

1. ASX Listing Rule 4.7C.1: The Company's net cashflow used in operations for the quarter was \$253,000. The Company's operational expenses mainly comprised of administration and corporate costs (\$123,000), staff costs (\$28,000) and exploration costs (\$97,000)
2. ASX Listing Rule 4.7C.3: In item 6 of the attached Appendix 4C, payments to related parties of approximately \$54,000 comprising of Director Services (\$28,000) and Non-Director Services – company secretarial services (\$12,000), accounting services (\$9,000) and serviced office (\$5,000) were paid during the quarter.

This release has been authorised for release by the Directors of the Company.

For further information, see www.proteanenergy.com or phone: T: + 61 8 6558 0886

ENDS

SCHEDULE A- KOREAN TENEMENT SCHEDULE

(100% held directly by SK Energy Metals Pty Ltd which is in turn 50% owned by Korea Vanadium Ltd). There was no change in the interests of the Gwesan tenement during the quarter.

Tenement Name	ID	Registration No.	Expiry Date	Area (ha)	Mineral
Gwesan	137	79161	11/01/2022	275	Uranium, Vanadium

Daejeon Group – detailed information

Daejeon Group includes Okcheon -136, -147, Daejeon -18, -28, -38, -48, -17, -7 in total 8 tenements. This group is considered as one tenement for exploration and mining to MRO under the Korean mining law. The below tenements have been granted a 1-year extension of term until November 2021

Tenement Name	Area	ID	Registration No.	Expiry Date	Area (ha)	Interest Held at end of quarter	Changes during the quarter	Mineral
Daejeon Group	Daejeon	18	77011	November 2021	277	100%	100%	Uranium, Vanadium, Molybdenum
	Daejeon	28	77012	November 2021	259	100%	100%	Uranium, Vanadium
	Daejeon	38	77013	November 2021	277	100%	100%	Uranium, Vanadium
	Daejeon	48	77014	November 2021	277	100%	100%	Uranium, Vanadium
	Okcheon	136	77010	November 2021	138	100%	100%	Uranium, Vanadium
	Okcheon	147	77038	November 2021	277	100%	100%	Uranium, Vanadium
	Daejeon	17	77039	November 2021	103	100%	100%	Uranium, Vanadium
	Daejeon	7	77114	December 2021	190	100%	100%	Uranium, Vanadium, Molybdenum
					1,798			

Competent Person Statement

The information contained in this ASX release relating to exploration results and Mineral Resources has been compiled by Mr Kahan Cervoj of Optiro Pty Ltd. Mr Cervoj is a Member of The Australasian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 editions of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Cervoj consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. Additionally, Mr Cervoj confirms that the entity is not aware of any new information or data that materially affects the information contained in the ASX releases referred to in this report.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

PROTEAN ENERGY LIMITED

ABN

81 119 267 391

Quarter ended ("current quarter")

30 SEPT 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	-	-
(d) leased assets	(5)	(5)
(e) staff costs	(28)	(28)
(f) administration and corporate costs	(123)	(123)
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) - Exploration expenditure	(97)	(97)
1.9 Net cash from / (used in) operating activities	(253)	(253)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) 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	-	-

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	1,920	1,920
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(253)	(253)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,667	1,667

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	1,147	1,400
5.2	Call deposits	520	520
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)	1,667	1,920

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	54
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<p><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></p> <p>Director fees - \$28,000</p> <p>Non-Director services:</p> <ul style="list-style-type: none"> - Company Secretarial services - \$12,000 - Accounting services - \$9,000 - Serviced office - \$5,000 		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>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)	(253)
8.2	Cash and cash equivalents at quarter end (item 4.6)	1,667
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	1,667
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	7
	<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
	8.6.1 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? <div style="border: 1px solid black; padding: 5px; margin-top: 5px;">Answer: N/A</div>	
	8.6.2 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? <div style="border: 1px solid black; padding: 5px; margin-top: 5px;">Answer: N/A</div>	
	8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis? <div style="border: 1px solid black; padding: 5px; margin-top: 5px;">Answer: N/A</div>	
	<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 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:19 October 2021.....

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 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 standard applies 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.