

## DECEMBER 2022 QUARTERLY REPORT

Sovereign Metals Limited (**Company or Sovereign**) (ASX:SVM & AIM:SVML) is pleased to provide its quarterly report for the period ended 31 December 2022.

### HIGHLIGHTS

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#### Kasiya Rutile Project PFS continues to progress on schedule

- Sovereign is well advanced with the Pre-Feasibility Study (**PFS**) for the Kasiya Rutile Project (**Kasiya**), an industry-leading major source of critical raw materials from Malawi.
- The PFS will build on the Expanded Scoping Study (**ESS**) which confirmed Kasiya as potentially **one of the world's largest and potentially lowest cost** producers of **natural rutile and natural graphite** with a carbon-footprint substantially lower than other current and planned producers.
- The PFS is on track to be completed in H1 2023 with all major works packages well progressed.

#### Resource infill drilling completed

- The Company completed a 4,660 metre, 191-hole deeper air-core (**AC**) and 2,206 metre, 247-hole push tube (**PT**) mineral resource infill drilling program to upgrade the Kasiya Mineral Resource Estimate (**MRE**), with the update targeted for Q1 2023.
- The drilling program confirmed consistency of high-grade rutile and graphite mineralisation at depth.
- Infill core PT drilling of numerous Inferred category pits and potential pit extensions is expected to add new blocks of Indicated material.

#### Offtake MoU with Chemours, one of the world's largest's producers of high-quality titanium dioxide pigment

- In November 2022, a Memorandum of Understanding (**MoU**) (non-binding) was signed for supply of 20,000 tonnes of natural rutile per annum from Kasiya to US-based Chemours, one of the world's largest producers of high-quality titanium dioxide pigments.

#### Sovereign to Demerge Standalone Graphite Projects

- Sovereign plans to demerge its standalone Graphite Projects (being the Nanzeka, Malingunde, Duwi and Mabuwa Projects) into a 100%-owned subsidiary, NGX Limited, then do an in-specie distribution.
- The Demerger seeks to unlock the value of the Graphite Projects for Sovereign shareholders and separate its Kasiya Rutile Project and its standalone Graphite Projects into two distinct companies.

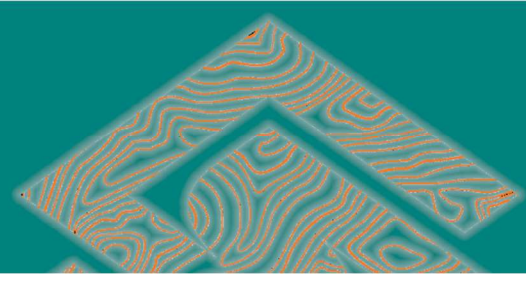
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### ENQUIRIES

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## KASIYA – THE LARGEST RUTILE DEPOSIT IN THE WORLD

Kasiya, located in central Malawi, is the **largest natural rutile deposit and one of the largest flake graphite deposits in the world**. Sovereign is aiming to develop an **environmentally and sustainable operation** to supply highly sought-after natural rutile and graphite to global markets.

Sovereign is completing a PFS which will build on the on the ESS, released in June 2022, with targeted completion in H1 2023.

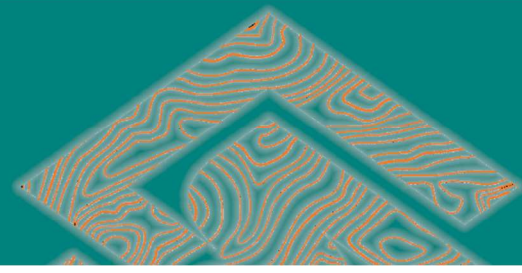
The ESS confirmed Kasiya as potentially **one of the world's largest and lowest cost** producers of **natural rutile and natural graphite** with a carbon-footprint substantially lower than current alternatives. The ESS showed outstanding results including:

- a two-stage development (stage 2 self-funded) with full production at **24Mtpa throughput producing 265kt rutile and 170kt graphite per annum over a 25 year mine life**
- exceptional economics including a post-tax **NPV<sub>8</sub> of US\$1,537m** and post-tax **IRR of 36%**
- a **large-scale operation with a low-cost profile** resulting from the deposit's near surface nature, high-grade, conventional processing flowsheet, and excellent existing infrastructure
- conservative assumptions applied with long-term prices used discounted against current spot prices



Figure 1: Sovereign hand-auger team preparing for drilling at the Kasiya project





## PFS ACTIVITIES

The PFS for Kasiya continued during the quarter with all major work programs progressing well. The study remains on track for a targeted completion in H1 2023. A summary of key areas progressed during the quarter is as follows:

### Mining

Fraser Alexander have progressed the mechanical engineering and design of the mining plan with the defined concept of hydro-mining. The Company also completed a trade-off study examining hydro-mining vs dozer mining options to validate the selected mining method.

### Pumping and Rheology

The Company commenced a comprehensive testwork program with Paterson and Cooke to generate mineral properties information and pumping and rheology data to feed into their pumping and piping design and layout work program.

### Metallurgy

A bulk metallurgical program focused on the first years of mining is well advanced with the program designed to conclude the process design and flowsheet. Additional variability tests are planned, with all samples extracted now in Perth for processing.



Figure 2 & 3: Spiral testwork underway at AML on the fine component of the sand material (left). Lower density cut from the spiral with visible graphite on the surface (right)

An initial graphite co-product testwork program was also completed earlier in the quarter with the sizing and chemical characteristics matching the product specifications used in the ESS.

### Tailings and Rehabilitation

The Project's objective is to minimise the operation's footprint via progressive rehabilitation, a concept common across mineral sands operations. The Company has defined a comprehensive testwork program with numerous work streams underway designed and supervised by global experts from Australia and South Africa.

In addition to the tailings testwork the post-mining rehabilitation study continues. This work program is led by Agreeco, a South African based consulting firm with significant expertise in rehabilitation and revegetation.

## KASIYA RESOURCE INFILL DRILLING

A 4,660 metre, 191-hole AC and 2,206 metre, 247-hole PT drilling program at the Kasiya rutile deposit has been completed. Drilling was conducted on a nominal 200m x 200m grid spacing targeting upgrading of mineralisation into the Indicated category which could convert to Probable Reserves as part of the forthcoming PFS.

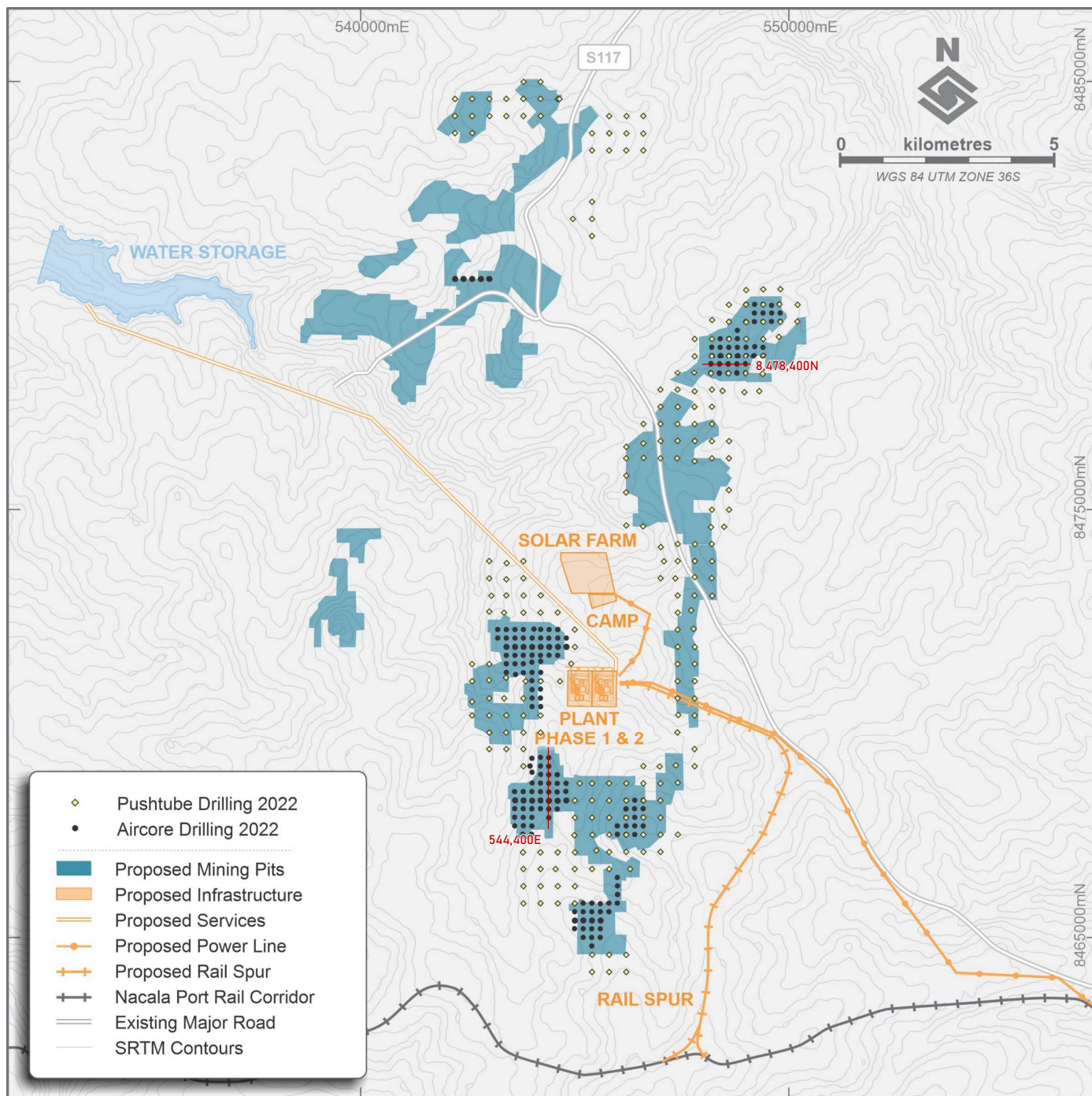


Figure 4: Kasiya AC & PT drilling location map showing the drilling concentrated within within proposed mining pits.

The AC results confirmed that rutile mineralisation is continuous in many pit areas from surface down to the top of saprock, normally between 20m and 30m from surface (Figure 6 & 7).



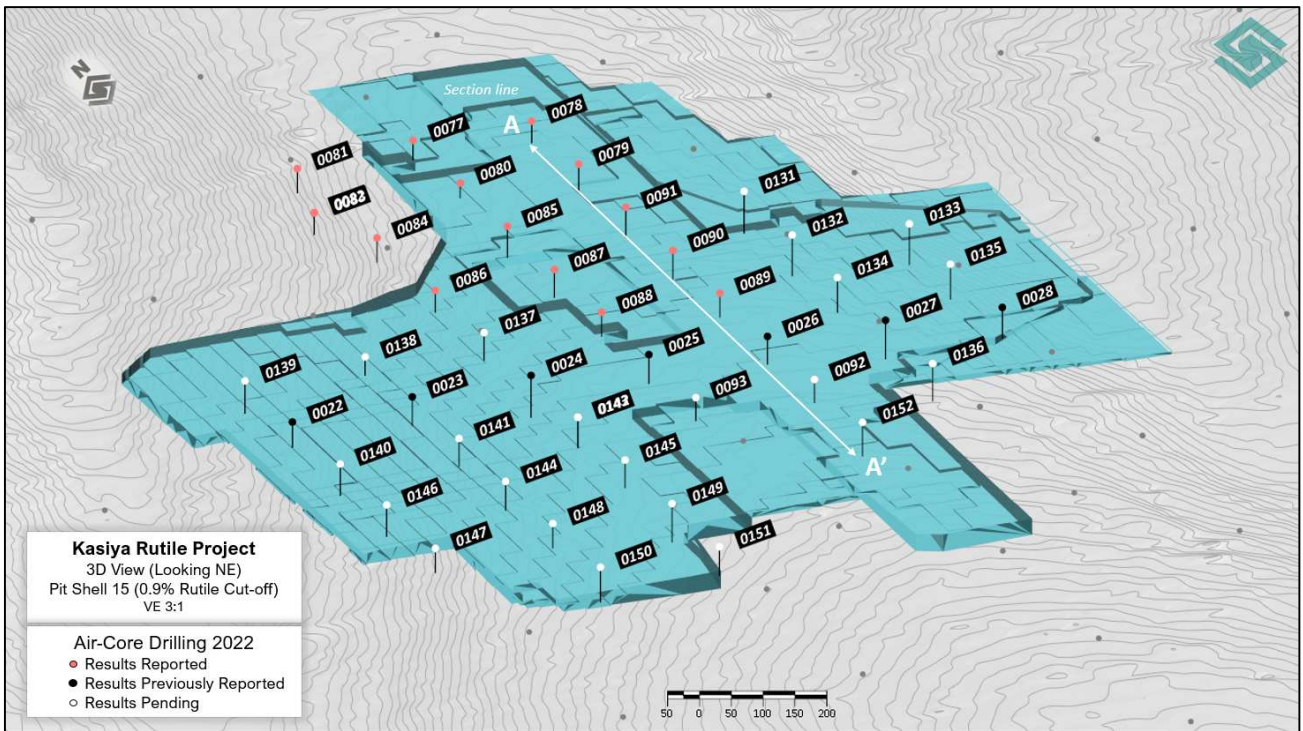
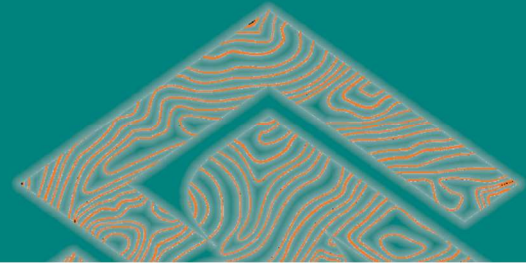


Figure 5: Kasiya south localised pit showing AC drilling collars.

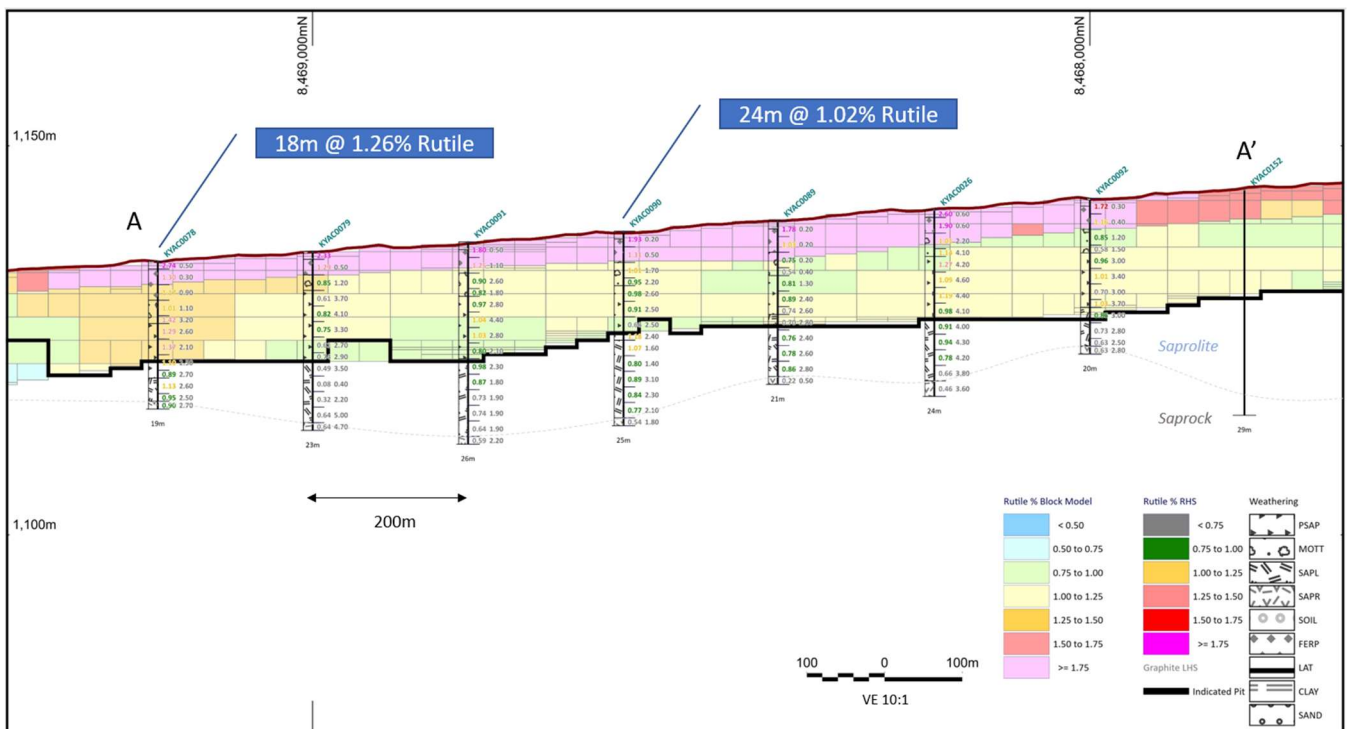


Figure 6: Kasiya south pit area long section 544,400mE including KYAC0078 to KYAC0079 and KYAC0089 to KYAC0092.

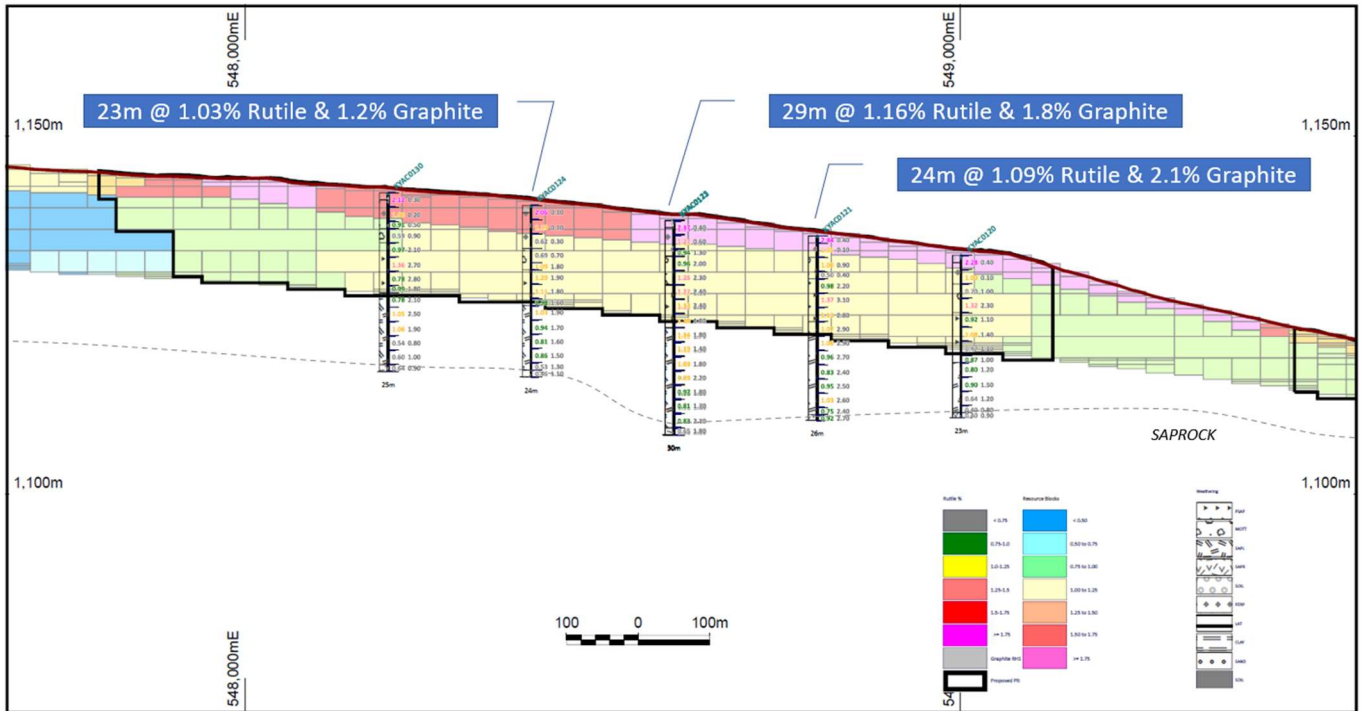
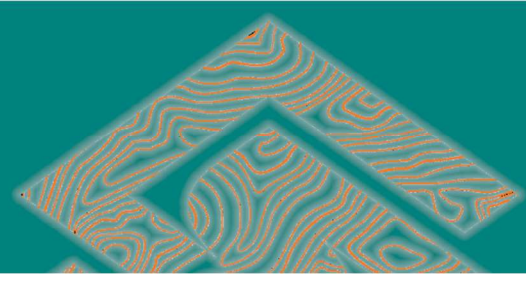


Figure 7: South-east pit on section 8,478,400mN showing high-grade graphite and rutile mineralisation

## RUTILE OFFTAKE

In November 2022, Sovereign entered into a non-binding MOU with The Chemours Company (**Chemours**) for the potential supply of 20,000 tonnes per annum of natural rutile from Kasiya.

The MOU covers the potential supply of 20,000 tonnes per annum of natural rutile at Stage 1 nameplate capacity and an option to take additional product (tonnage to be agreed) when Kasiya reaches Stage 2 nameplate capacity (refer to announcement dated 16 June 2022 entitled '**Kasiya Expanded Scoping Study Results**'). Further, volumes may be varied up or down by mutual agreement and pricing will reference market prices of the day (both to be included in the definitive agreement).

The MOU is non-exclusive and non-binding and remains subject to negotiation and execution of the definitive agreement. The MOU will expire two years from the execution date but can be extended by agreement by both parties should a definitive agreement not have been reached by that time.

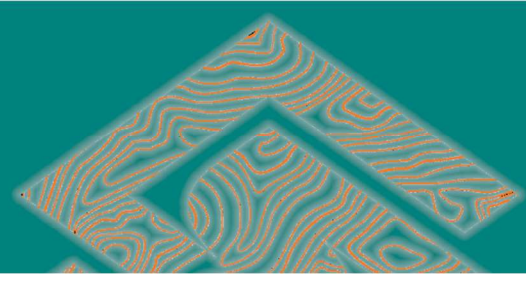
Chemours is a leading provider of performance chemicals that are key inputs in end-products and processes across a variety of industries. Chemours operates 29 manufacturing sites serving approximately 3,200 customers in approximately 120 countries.

Its Titanium Technologies segment is one of the world's largest producers of high-quality titanium dioxide (TiO<sub>2</sub>) pigment and aspires to be the most sustainable TiO<sub>2</sub> enterprise in the world. Using its proprietary chloride technology—pioneered in 1931 and improving ever since—Chemours provides innovative TiO<sub>2</sub> solutions for coatings, plastics, and laminates.

It operates four TiO<sub>2</sub> pigment production facilities: two in the United States, one in Mexico, and one in Taiwan totalling TiO<sub>2</sub> pigment nameplate capacity of 1.25 million tonnes per year. In the year ended 31 December 2021, Chemours' Titanium Technologies segment reported net sales of US\$3.4 Billion.

The Company is continuing product marketing with further offtake MOUs expected to be executed in the near-term.





## COMMUNITY INITIATIVES

During the quarter, Sovereign completed seven community boreholes and installation of hand pumps for provision of fresh water to a number of villages.



Figure 7: Sovereign's Managing Director, Julian Stephens testing a newly commissioned water bore at a local community near Kasiya

## SOVEREIGN TO DEMERGE STANDALONE GRAPHITE PROJECTS

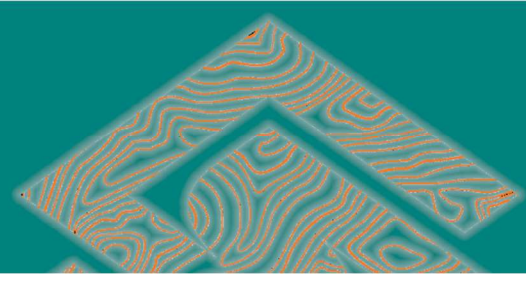
In December 2022, Sovereign announced that it intends to undertake a demerger (**Demerger**) whereby Sovereign's Malawian graphite projects, being the Nanzeka Project, Malingunde Project, Duwi Project and Mabuwa Project (**Graphite Projects**), are to be demerged through NGX Limited (**NGX**), a wholly owned subsidiary of the Company. This will allow Sovereign to focus on the development of the Kasiya while unlocking value in its Graphite Projects for shareholders.

The Demerger allows Sovereign and the existing management team to focus on its flagship Kasiya Rutile Project, the largest natural rutile deposit in the world, with Sovereign retaining all graphite co-product from Kasiya.

Sovereign proposes, subject to shareholder approval, to demerge the Graphite Projects via a spin-out of NGX and in-specie distribution of NGX fully paid ordinary shares (**NGX Shares**) to Sovereign shareholders by issuing one (1) NGX Share for every eleven (11) Sovereign shares (SVM Shares) held (Distribution), allowing Sovereign shareholders to retain exposure to the value and upside of the Graphite Projects.

Upon completion of the Demerger, NGX intends to seek admission to the official list of the ASX. NGX will undertake a capital raising to satisfy the ASX admission requirements.

Sovereign shareholders will have the opportunity to retain further exposure to the value and upside of the Graphite Projects as the NGX IPO is expected to comprise a priority offer to existing shareholders on the basis of one (1) new NGX Share for every one (1) NGX Share received pursuant to the Demerger to raise approximately \$8,600,000 and a general offer of \$1,000,000 to assist with satisfying ASX spread requirements. This will ensure there is no cash outflow from Sovereign to NGX as part of the Demerger, other than applicable Sovereign expenses to effect the Demerger. The terms of the NGX IPO are yet to be finalised however.



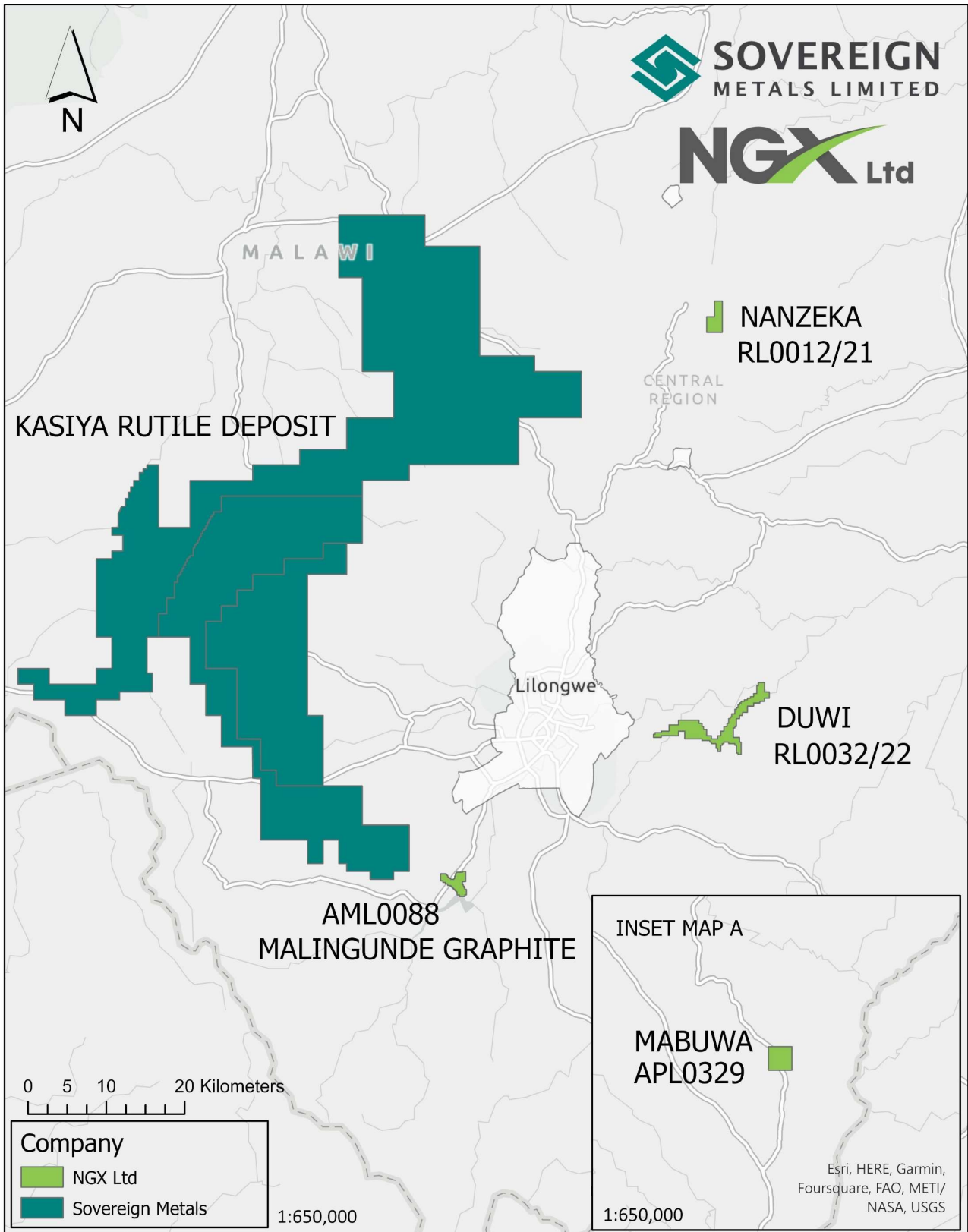
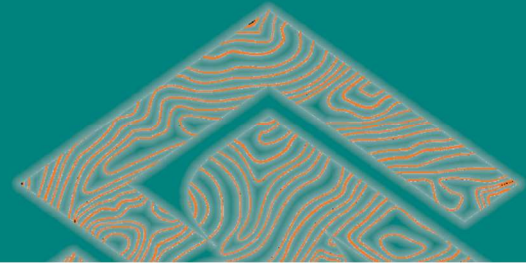
NGX will be the offeror of the NGX Shares under the IPO. A prospectus will be issued by NGX for the IPO capital raising which will be made available when the NGX Shares are offered. Anyone wishing to acquire NGX Shares as part of the IPO offer will need to complete the application form that will accompany the prospectus.

A Notice of Meeting for the Demerger and Distribution will be sent to shareholders with the meeting planned to take place early in 2023.

## Rationale for Demerger

- The Demerger allows the Company to better focus its efforts and resources on Kasiya and other primary rutile discoveries.
- The Demerger will provide shareholders with an interest in two companies – Sovereign and NGX. The Board believes a separate entity with a separate management team focused on the Graphite Projects presents a better prospect of delivering value to Sovereign shareholders.
- Shareholders may elect to retain exposure to either one or both companies as dictated by their investment preferences and objectives:
- Shareholders will retain an interest in NGX through the Distribution and thereby have an opportunity to benefit from the potential development of the Graphite Projects; and
- All Shareholders will retain their interest in the capital of Sovereign and exposure to Kasiya.
- The Board sees considerable potential in the Graphite Projects that is not recognised by the market and, therefore, a dedicated, separately funded vehicle may realise appropriate value for shareholders.
- Future capital raisings are expected to be more readily achieved by each individual entity as the focus of the funding will be on their specific projects. In addition, it is expected to provide greater flexibility to both Sovereign and NGX to attract strategic investors.
- NGX will have a dedicated board and management team to focus on the development of the Graphite Projects.
- After a full and proper assessment of all available information, the Directors believe that the Demerger is in the best interests of Sovereign shareholders.





**Figure 8: Proposed Sovereign and NGX tenement holding post Demerger**  
Map A: Mabuwa Project tenement application located approximately 250km south of Lilongwe

## Indicative Timetable of the Demerger

An indicative timetable for the Demerger is provided below.

Event	Indicative Date
General Meeting	Mid-March 2023
Effective date of Distribution	Mid-March 2023
Record Date	Late March 2023
Date for Distribution to Shareholders	Late March 2023

**Note:** The dates shown in the table above are indicative only and may vary subject to the Corporations Act, the ASX Listing Rules, and other applicable laws.

For further information and additional detail please refer to ASX Announcement dated 7 December 2022 entitled 'Sovereign to Demerge Standalone Graphite Projects'

## RELATED PARTY PAYMENTS

During the quarter ended 31 December 2022, the Company made payments of (\$242,000) to related parties and their associates. These payments relate to existing remuneration arrangements (executive salaries, director fees, superannuation and bonuses of \$125,000), business development services (\$30,000) and provision of serviced office facilities, company secretarial services and administration services (\$87,000).

## MINING EXPLORATION EXPENDITURES

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

Activity	A\$'000
Drilling	(548)
Assaying and Metallurgical Test-work	(633)
Studies and Reserve/Resource Estimation	(890)
Malawi Operations - Site Office, Personnel, Field Supplies, Equipment, Vehicles and Travel	(754)
<b>Total as reported in Appendix 5B</b>	<b>(2,825)</b>

There were no mining or production activities and expenses incurred during the quarter ended 31 December 2022.



## Competent Person Statement

The information in this announcement that relates to the Mineral Resource Estimate is extracted from the announcement dated 5 April 2022. The announcement is available to view on [www.sovereignmetals.com.au](http://www.sovereignmetals.com.au). Sovereign confirms that a) it is not aware of any new information or data that materially affects the information included in the announcement; b) all material assumptions included in the announcement 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 announcement.

**Table 1: Kasiya Mineral Resource Estimate at 0.7% Rutile Cut-off**

Mineral Resource Category	Material Tonnes (millions)	Rutile (%)	Rutile Tonnes (millions)	Total Contained Graphite (TGC) (%)	TGC Tonnes (millions)	RutEq. Grade* (%)
Indicated	662	1.05%	6.9	1.43%	9.5	1.76%
Inferred	1,113	0.99%	11.0	1.26%	14.0	1.61%
<b>Total</b>	<b>1,775</b>	<b>1.01%</b>	<b>18.0</b>	<b>1.32%</b>	<b>23.4</b>	<b>1.67%</b>

\* RutEq. Formula: Rutile Grade x Recovery (98%) x Rutile Price (US\$1,308/t) + Graphite Grade x Recovery (62%) x Graphite Price (US\$1,085/t) / Rutile Price (US\$1,308/t). All assumptions are taken from this Study \*\* Any minor summation inconsistencies are due to rounding

The information in this announcement that relates to Production Targets, Processing, Infrastructure and Capital and Operating Costs, is extracted from the announcement dated 16 June 2022 entitled 'Kasiya Expanded Scoping Study Results'. Sovereign confirms that: a) it is not aware of any new information or data that materially affects the information included in the announcement; b) all material assumptions and technical parameters underpinning the Production Target, and related forecast financial information derived from the Production Target included in the Announcement 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 presentation have not been materially modified from the Announcement.

The information in this announcement that relates to the Metallurgy is extracted from the announcement dated 7 December 2021. The announcement is available to view on [www.sovereignmetals.com.au](http://www.sovereignmetals.com.au). Sovereign confirms that a) it is not aware of any new information or data that materially affects the information included in the announcement; b) all material assumptions included in the announcement 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 announcement.

The information in this announcement that relates to the Exploration Results is extracted from the announcement dated 8 September 2022, 26 October 2022 and 30 January 2023. The announcements are available to view on [www.sovereignmetals.com.au](http://www.sovereignmetals.com.au). Sovereign confirms that a) it is not aware of any new information or data that materially affects the information included in the announcements; b) all material assumptions included in the 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 announcements.

## Forward Looking Statement

This release may include forward-looking statements, which may be identified by words such as "expects", "anticipates", "believes", "projects", "plans", and similar expressions. These forward-looking statements are based on Sovereign's expectations and beliefs concerning future events. Forward looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of Sovereign, which could cause actual results to differ materially from such statements. There can be no assurance that forward-looking statements will prove to be correct. Sovereign makes no undertaking to subsequently update or revise the forward-looking statements made in this release, to reflect the circumstances or events after the date of that release.

## Authorisation Statement

This announcement has been approved and authorised for release by the Company's Managing Director, Julian Stephens.

## APPENDIX 1: SUMMARY OF MINING TENEMENTS

As at 31 December 2022, the Company had an interest in the following tenements:

Licence	Holding Entity	Interest	Type	Licence Renewal Date	Expiry Term Date <sup>1</sup>	Licence Area (km <sup>2</sup> )	Status
<b>Sovereign:</b>							
EL0609	MML	100%	Exploration	25/09/2024	25/09/2028	440.5	Granted
EL0582	SSL	100%	Exploration	15/09/2023	15/09/2027	285.0	Granted
EL0492	SSL	100%	Exploration	29/01/2023	29/01/2025	935.4	Granted
EL0528	SSL	100%	Exploration	27/11/2023	27/11/2025	16.2	Granted
EL0545	SSL	100%	Exploration	12/05/2024	12/05/2026	53.2	Granted
EL0561	SSL	100%	Exploration	15/09/2023	15/09/2027	124.0	Granted
<b>NGX:</b>							
EL0372	SSL <sup>3</sup>	100%	Exploration	N/A	13/03/2022 <sup>2</sup>	729.2	Granted
RL0012	NGX	100%	Retention	N/A	26/07/2026	6.0	Granted
RL0032	SSL <sup>3</sup>	100%	Retention	N/A	4/10/2027	24.64	Granted

### Notes:

SSL: Sovereign Services Limited, MML: McCourt Mining Limited & NGX Exploration Limited

<sup>1</sup> An exploration licence (EL) covering a preliminary period in accordance with the Malawi Mines and Minerals Act (No 8. Of 2019) (Mines Act) is granted for a period not exceeding three (3) years. Thereafter two successive periods of renewal may be granted, but each must not exceed two (2) years. This means that an EL has a potential life span of seven (7) years. ELs that have come to the end of their term can be converted by the EL holder into a retention licence (RL) for a term of up to 5 years subject to meeting certain criteria.

<sup>2</sup> Prior to expiry of EL0372, the Company applied for the grant of a mining licence (ML) over EL0372. Under the Mines Act, an EL term automatically extends until the ML application has been processed and/or granted. The ML has been granted subject to the approval of an ESIA for Malingunde.

<sup>3</sup> Proposed to be transferred to NGX as part of the Demerger.



## Appendix 5B

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

Name of entity

Sovereign Metals Limited

ABN

71 120 833 427

Quarter ended ("current quarter")

31 December 2022

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(2,825)	(5,085)
(b) development	-	-
(c) production	-	-
(d) staff costs	(344)	(874)
(e) administration and corporate costs	(475)	(851)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	80	151
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other – Business Development	(326)	(497)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(3,890)</b>	<b>(7,156)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(23)	(23)
(d) exploration & evaluation	-	-
(e) investments	-	-
(f) other non-current assets	-	-

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

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(23)</b>	<b>(23)</b>
<b>3.</b>	<b>Cash flows from financing activities</b>		
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	(568)	(601)
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)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(568)</b>	<b>(601)</b>
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	<b>15,587</b>	<b>18,894</b>
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(3,890)	(7,156)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(23)	(23)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(568)	(601)



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

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	9	1
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>11,115</b>	<b>11,115</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	846	1,062
5.2	Call deposits	10,269	14,525
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>11,115</b>	<b>15,587</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	242
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>		

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

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<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>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 <b>Total financing facilities</b>	-	-
7.5 <b>Unused financing facilities available at quarter end</b>		-
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.	-	

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(3,890)
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)	(3,890)
8.4 Cash and cash equivalents at quarter end (item 4.6)	<b>11,115</b>
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	<b>11,115</b>
8.7 <b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	<b>2.9</b>
<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: 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?	
Answer: 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?	
Answer: Not applicable	
<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: 31 January 2023

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.