

29 October 2021

## ACTIVITIES REPORT – SEPTEMBER 2021 QUARTER

### EXPLORATION HIGHLIGHTS

#### Yilgarn (Gindalbie) Gold Project in Western Australia

A 2,000 m RC drill program planned for Holey Dam and Canegrass has been approved by the Department of Mines. A 400 m assessment program to be commenced in the Canegrass tenement as soon as a driller is available. E31/1114(Jungle Hill), E31/1113(Canegrass) and E27/550 (Holey Dam) have been successfully renewed for a 5 Year Period to 2026.

#### Halls Creek Gold/Cobalt/Base Metals Project in Western Australia.

A surficial exploration program was completed during the quarter with the collection of 454 soil samples and 35 rock samples across all 4 tenements.

Summary of Rock Results (mainly from the Black and Glidden tenement) were:

- **Gold (Au) to 2.78g/t**
- **Lead (Pb) to 9.93%**
- **Zinc (Zn) to 12.6%**
- **Copper (Cu) to 0.82%**
- **Silver (Ag) to 171g/t**

#### Northern Territory tenement granted

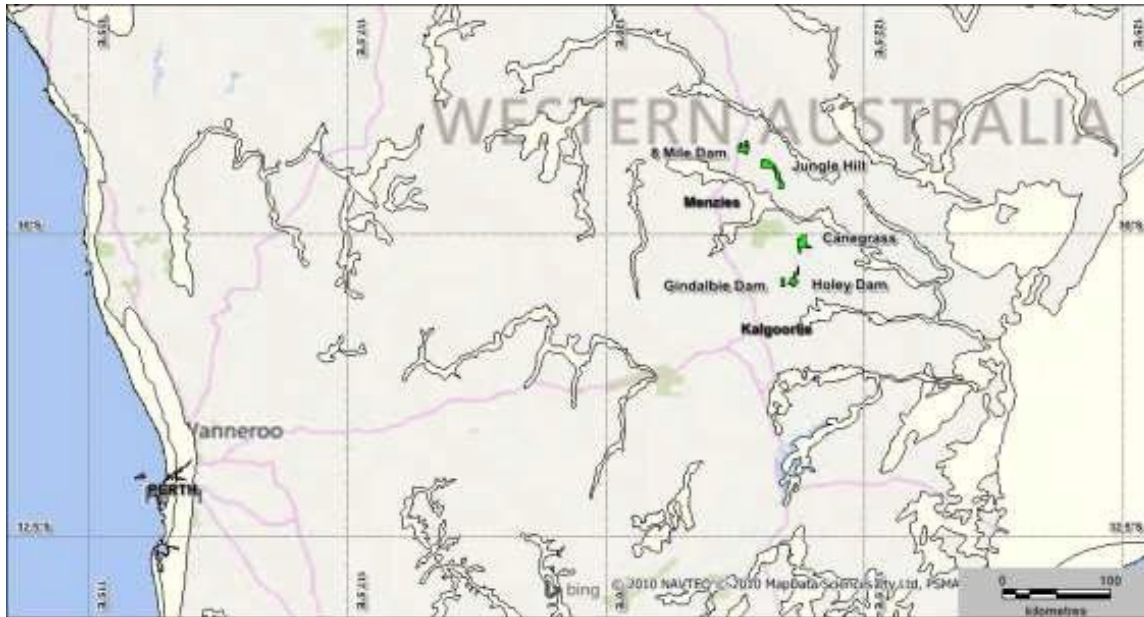
Detailed work programs were lodged with the Central Land Council for the 2 new tenement applications, namely Kovac (ELA 32666) and Gidyea (ELA 32665), in the Northern Territory, South East of Tennant Creek over a combined area of 531.1 km<sup>2</sup> in the gold and base metal rich Warramunga Province. During the quarter, EL 32665 was granted for a 6 year period to September 2027.



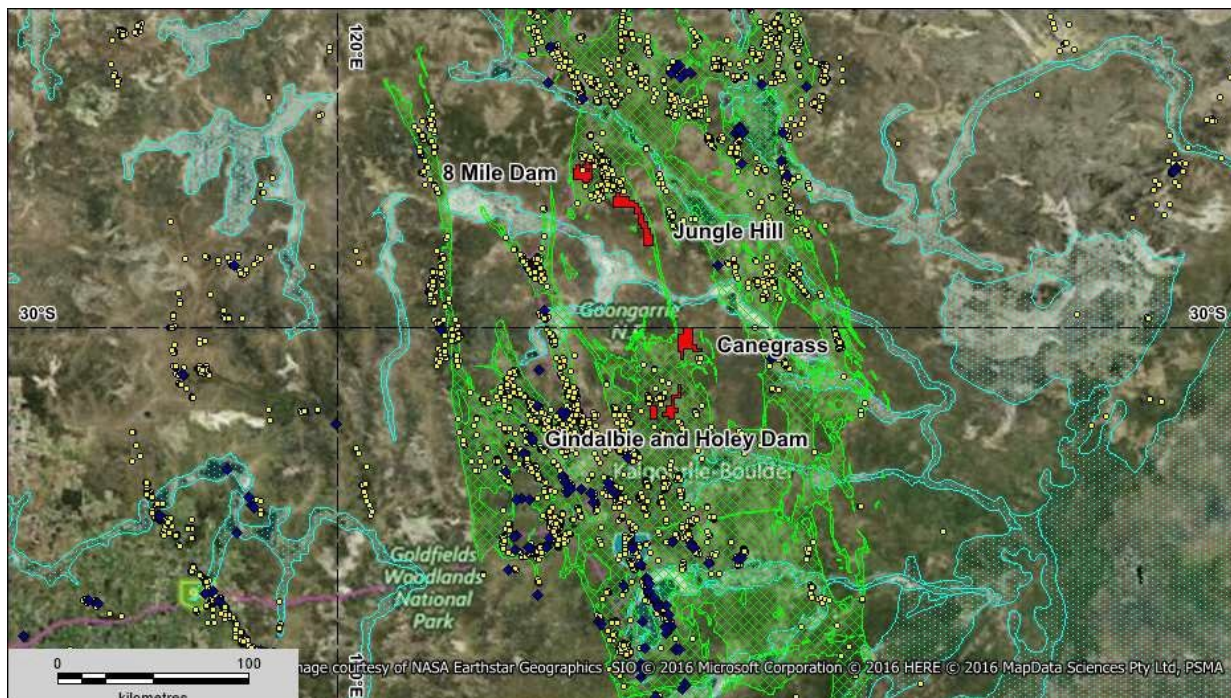
Kaili Resources project locations

## Yilgarn Craton (Gindalbie and Kookynie) Gold and Iron Projects – Western Australia

*E31/1114-I (Jungle Hill), E31/1113 (Canegrass), and E27/550 (Holey Dam) are held 100% by wholly owned subsidiary Kaili Gold Pty Ltd.*

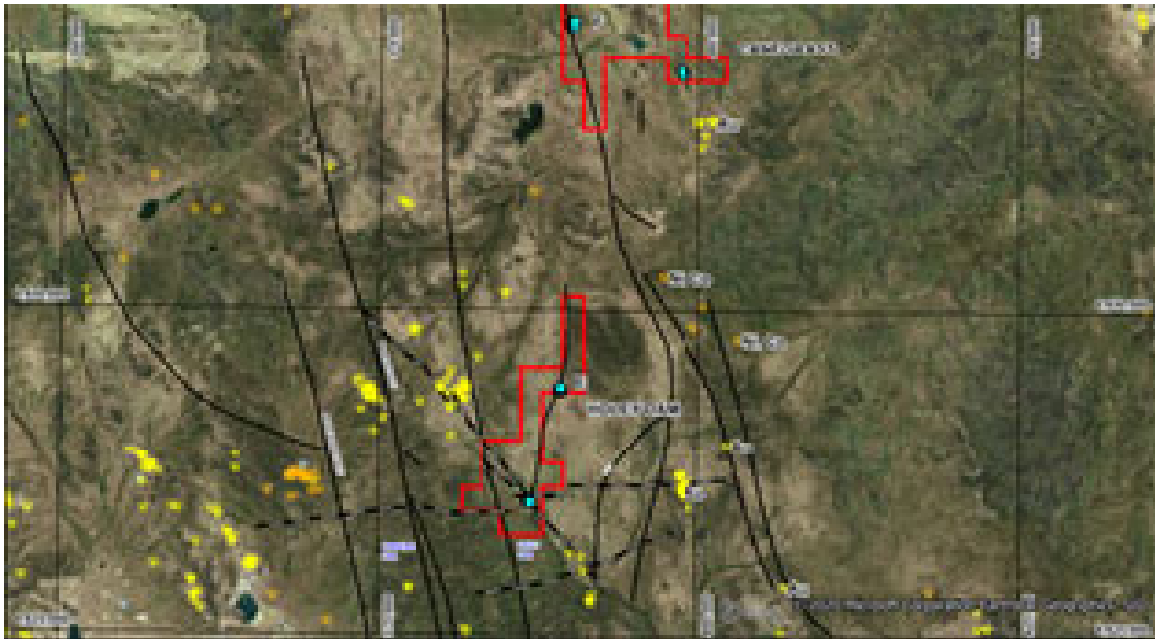


**Figure 2: Kaili Resources Yilgarn Craton Projects Locations**



**Figure 3: Satellite Image with Eastern Goldfields Superterrane (green hatching) and Kaili Gold tenements in red. Blue diamonds are operating mines of third parties and yellow dots are gold occurrences reported by other explorers**

Based on the results announced on 3 December 2020<sup>1</sup> of the September 2020 Aircore Drilling Program, a follow up 400 m RC drilling assessment program is scheduled to commence for the Canegrass (Area F) tenement as soon as driller services are secured. High drilling activities post easing of Covid-19 related travel restrictions are adversely impacting on the availability of drilling rigs in the Kalgoorlie region. Approval for the drilling has been received from the WA Department of Mines Industry Regulation and Safety (DMIRS) as part of a larger program of 2,000 m planned to be carried after the 400 m assessment program, subject to results interpretation.



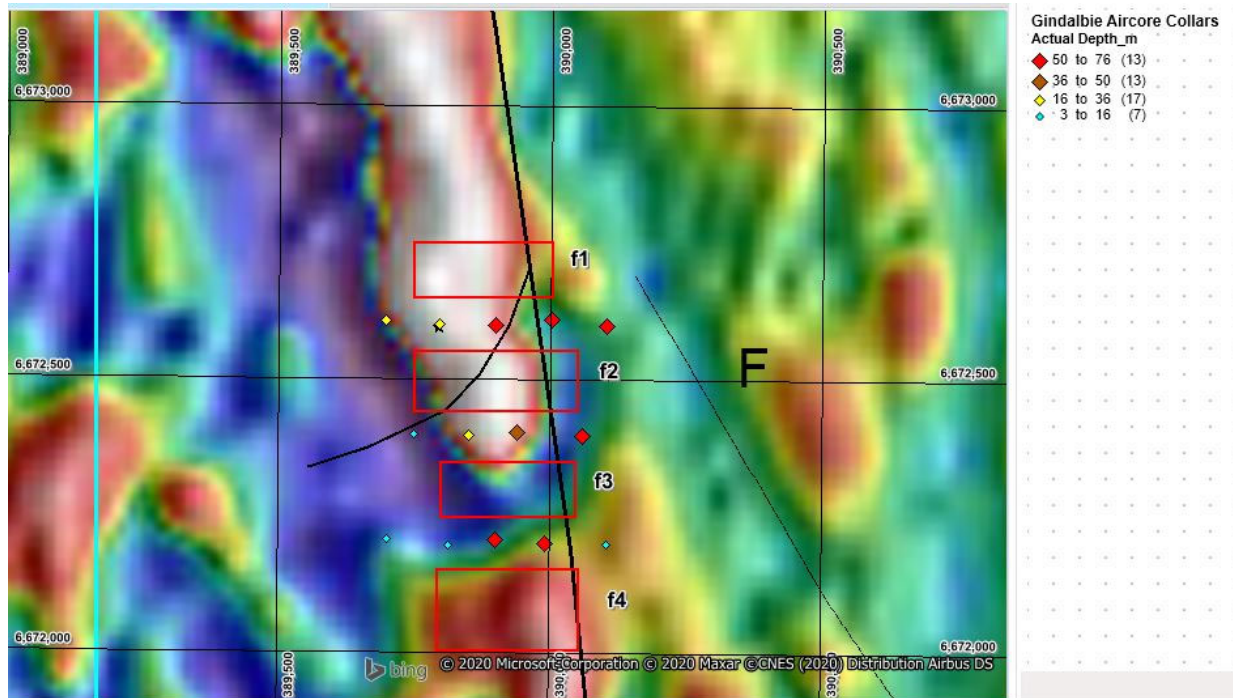
**Figure 4:** Gindalbie Gold Project with regional structures and gold occurrences with of Area E and Area F

**Figure 4** shows the location of the Holey Dam and Canegrass tenements in relation to regional structures with gold and base metal mineral occurrences in yellow. In the Yilgarn Craton, these regional structures are channel ways for gold mineralising fluids that are quite often localised by later cross cutting structures. The September 2020 Aircore Drilling Program highlighted Holey Dam Area E and Canegrass Area F as potential areas where gold mineralising fluids has been localised within mafic (gabbro/dolerite and basalt) lithologies containing vein quartz and pyrite and possible associated white mica, chlorite, tourmaline and epidote alteration. The follow up Aircore drilling will be in and around significant occurrences of alteration, pyrite mineralisation and elevated gold with maximum of 1 m @ 3.96 ppm Au and 1 m @ 0.88 ppm Au<sup>1</sup>.

The highest Au encountered was between areas f3 and f4 in **Figure 5**. The depth of drilling is shown by the coloured diamonds and the legend in the top right of the figure. Within the four drill areas, the E-W drill line will be 50 m apart with drill collars situated every 100 m along the drill lines. In **Figure 5** the Emu Fault is shown as a black WNW-ESE linear adjacent to linear magnetic highs.



Follow up Aircore drilling will involve E-W traverses spaced at 50 m intervals in and around the alteration and elevated gold responses in Area F initially.



**Figure 5:** Canegrass Area F showing the proposed drill areas over an aeromagnetic image

A relinquishment application has been lodged for E40/354 (Eight Mile) and E27/549 (Gindalbie Dam) was surrendered effective on 29 June 2021. An objection to the renewal of E31/1114-I (Jungle Hill) has been lodged with the Warden on 13 September 2021 by a private company and a hearing to answer to the application for forfeiture is scheduled for 12 January 2022 before the Warden in Kalgoorlie.

<sup>1</sup> The results are reported in the ASX Announcement of 3 December 2020. In accordance with Listing Rule 5.23 the Company is not aware of any new information or data that materially affects the information included in that announcement.

### **Halls Creek – (Black and Glidden, Carrington, Sandy Creek and Wild Dog) Gold/Cobalt/Base Metals Projects - Western Australia**

*E 08/5112, 5113, 5114 and 5115 are held 100% by wholly owned subsidiary Kaili Iron Pty Ltd.*

The Halls Creek tenements in the Western Australian Kimberley Biosecurity Area has been inaccessible from March 2020 until the June 2021 quarter because of the Covid-19 pandemic lock down followed by the annual wet season of the region. The field exploration that was planned for 2020 had to be deferred until the dry season of 2021 in the June 2021 Quarter when field work has been carried out.



Field based exploration at the Halls Creek Gold and Base Metals Project was completed on 1 July 2021 with no travel or access restrictions related the COVID 19 pandemic imposed by the WA Government. A total of 454 soil samples and 35 rock samples were collected across all 4 tenements (**Figure 6**). The exploration program comprised a series of foot and vehicle traverses in combination with grid based soil sampling across targets generated in all four tenements. The soils sampling comprised a series of E-W traverses across the target areas with samples collected every 50 m along the sampling lines. The samples were initially scanned using the Company's Olympus Delta then despatched to the ALS laboratory in Perth.

Summary of Rock Results (mainly from the Black and Glidden tenement) are as follows:

- **Gold (Au) to 2.78g/t**
- **Lead (Pb) to 9.93%**
- **Zinc (Zn) to 12.6%**
- **Copper (Cu) to 0.82%**
- **Silver (Ag) to 171g/t**

The results are reported in the ASX Announcement of 8 September 2021. In accordance with Listing Rule 5.23 the Company is not aware of any new information or data that materially affects the information included in that announcement.

Prior to the field activities, the Company had completed the acquisition and processing of all available airborne magnetic, radiometric, gravity and electromagnetic data covering the 4 tenements and completed lithostructural targeting in preparation for field exploration. Earth-AI applied Artificial Intelligence in merging and analysing all publicly available geochemical, geological, and geophysical data to generate targets for field assessments, the subject of the field based exploration.

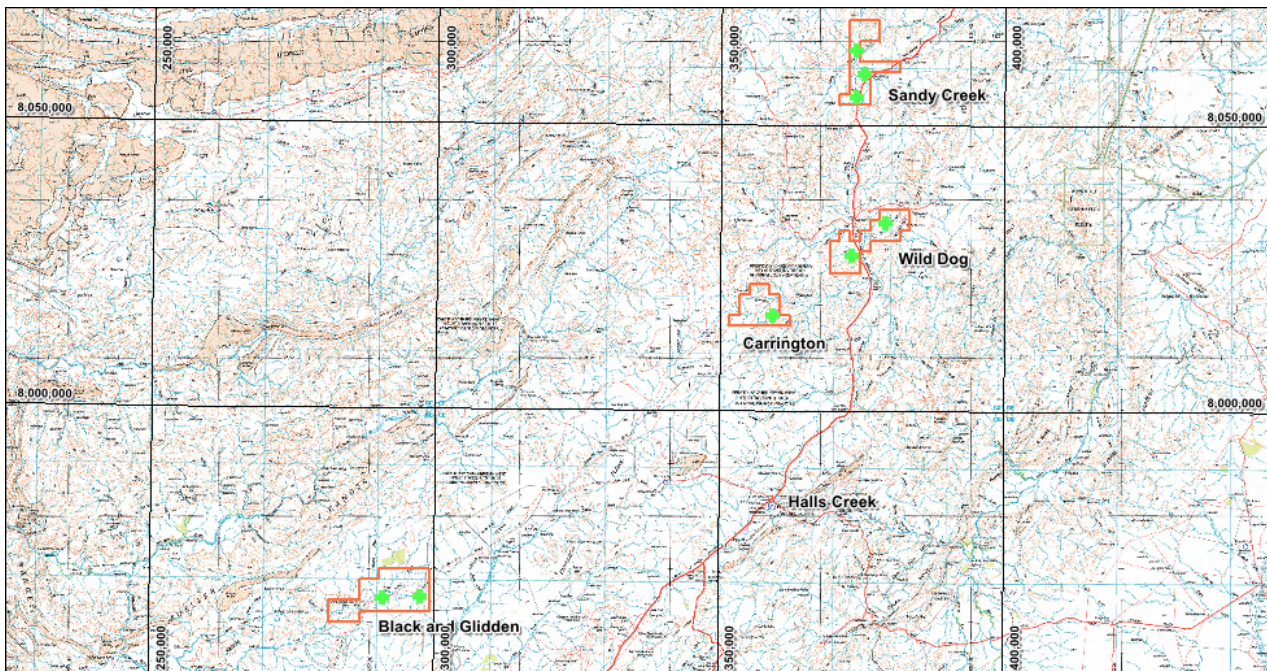
### **Geology of the Tenements**

The Halls Creek Project comprises 4 granted tenements (**Figure 6**) situated within the NE-SW trending Lamboo Province comprising 4 tectonostratigraphic terranes – Western, Central and Eastern.

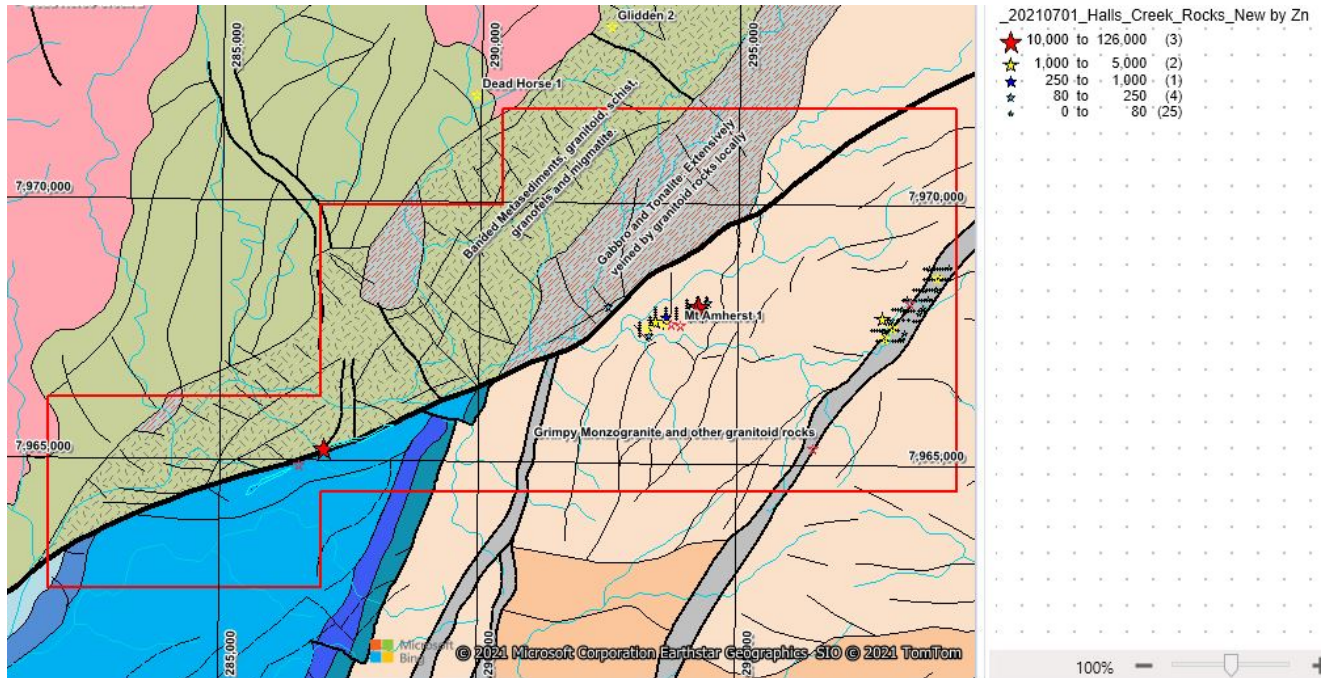
The western terrane is postulated to be an exotic crustal fragment that was accreted to the Kimberley Craton before 1900 Ma via north-westerly directed subduction. Easterly directed subduction led to the development of an oceanic arc at c. 1865 Ma, outboard of the Kimberley Craton; this initiated the formation of the Central Zone. Eastern Zone rocks are associated with a passive continental margin linked to the North Australian Craton. The Central Terrane comprises a broad suite of felsic to lesser mafic rocks, the Sally Downs Supersuite within which occurs a subsuite

of gabbro to norite dominated rocks known as the Sally Malay and McIntosh Suites. The Sally Malay nickel-copper sulphide deposit lies at the base of a small, layered intrusion enclosed within granulite facies garnet-cordierite paramigmatites and mafic granulites norite which host most of the mineralization are interpreted as a chilled border zone to the intrusion, into which settled an early separated sulphide liquid. The Hall Creek Project is situated primarily within gabbro to norite rocks of the McIntosh Suite.

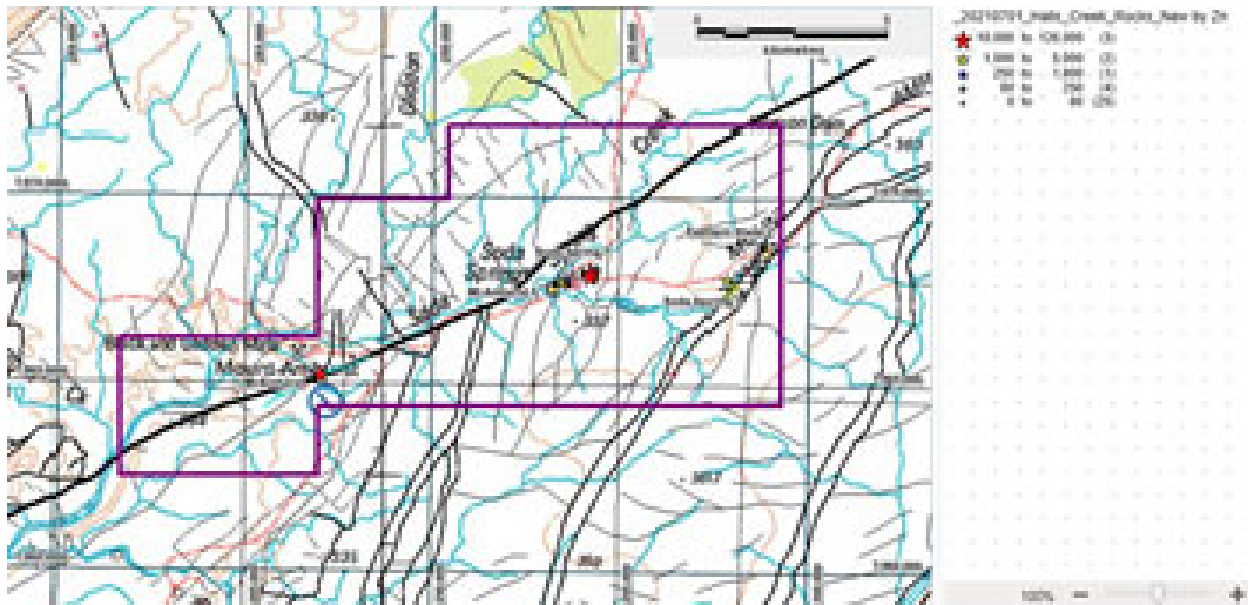
The soils sampling comprised a series of E-W traverses across the target areas with samples collected every 50 m along the sampling lines. The samples were initially scanned using the Company's Olympus Delta then despatched to the ALS laboratory in Perth.



**Figure 6:** Halls Creek Project showing the soil sampling grids in green



**Figure 7: Black and Glidden Soil Grids (Yellow)**



**Figure 8: Black and Glidden Interpreted Geology and Structure**





**Photo1** – Quartz Veined Granite / Linear Quartz Vein / Gossanous Quartz Vein (Highest Cu,Pb,Zn results)

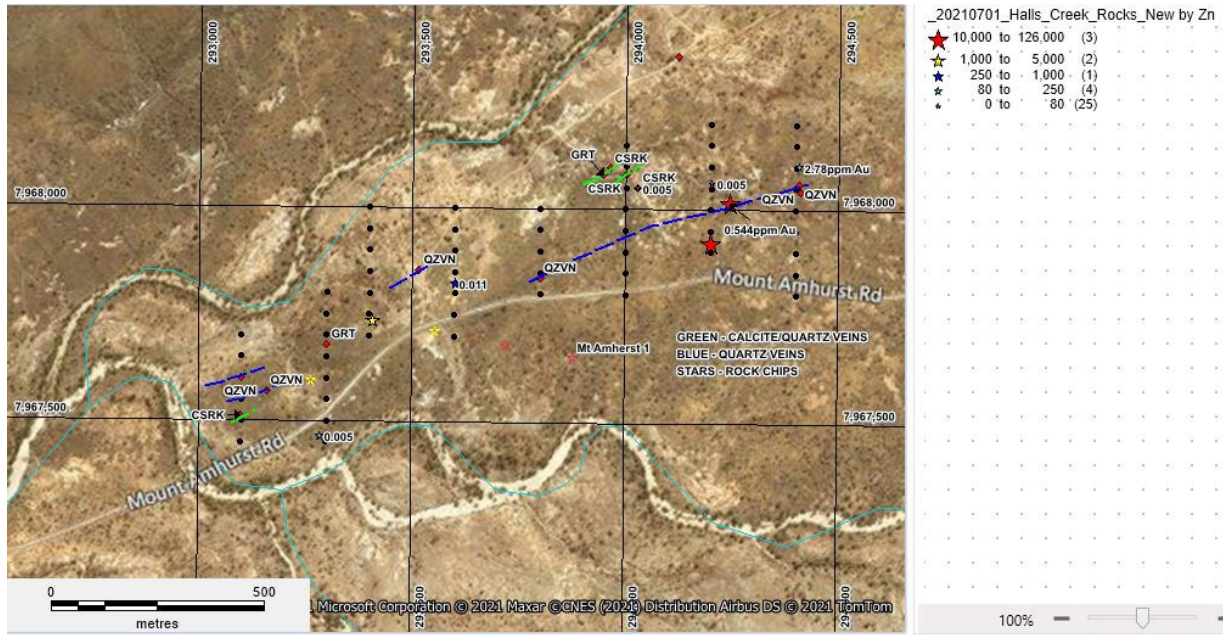
The Black and Glidden Tenement (Figure 8) comprises the Grumpy Monzogranite in the east with mafic intrusives and metasediments to the west. These two lithostructural groups are separated by the NE-SW Lubbock Range Fault.

During this initial field trip, the focus was on two areas of historical workings Eastern Shear 2/Soda Springs 3 in the east and Mt Amhurst5/Soda Springs 1 in the west. The western group of workings are associated with an intermittent ENE-WSW quartz vein (locally gossanous – Photo 1)) and a NE-SW prominent quartz ridge in the east (Photo 1). The near vertical mineralised quartz lode has a general orientation of 300 degrees and comprises quartz and carbonate veining. There is a second set of veining oriented at 350 degrees and likely a conjugate set. Narrow dolerite dykes parallel the lodes. Epidote alteration of the host monzogranite is evident adjacent to the lode whereas the monzogranite elsewhere is grey. The lode is locally gossanous with boxwork textures and very high base metal assays along with visual malachite and azurite mineralisation. The soils sampling grids are shown in Figures 7 and 8.

The sampling was conducted within the Grumpy Monzogranite which is locally quartz veined and strongly epidote altered. A single sample (Figure 9) was taken of a small quartz vein adjacent to the Lubbock Range Fault and returned 0.27% Pb and 9.6% Zn. The veining at the western prospect was a mixture of quartz and calcite with local gossanous zones to 0.82% Cu, 9.93% Pb and 12.6% Zn. A portion of this veins system had the highest Au and Ag at 2.78 g/t and 171 g/t respectively. Vein quartz outcrops over a 315 degrees strike length of about 1.5 km (Figure 9). The soil geochemistry was not significantly elevated in gold or base metals apart from some elevated gold. This is likely due to the extensive granitic transported soils masking underlying mineralised zones.

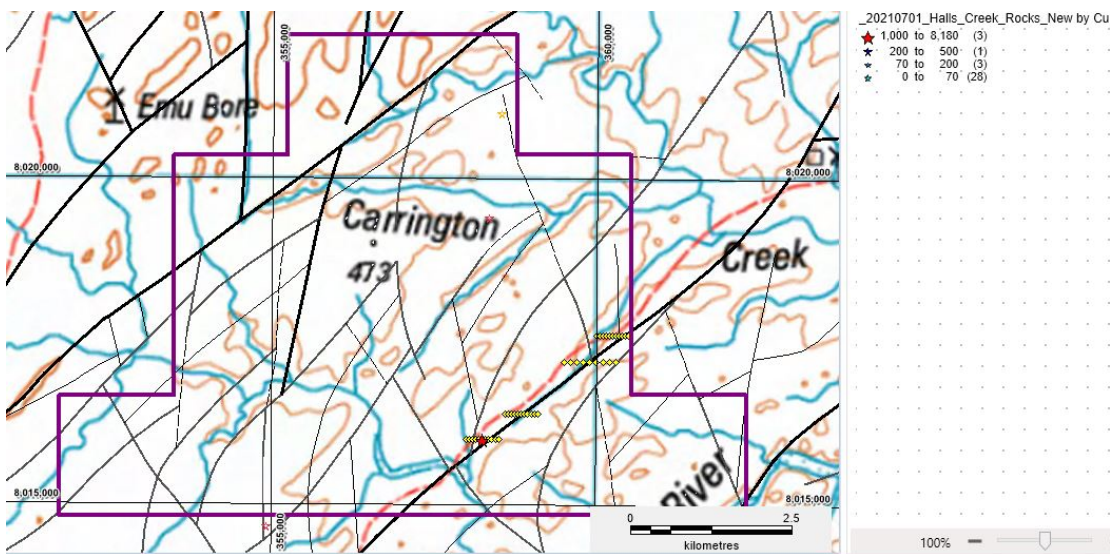


Further targets along the Lubbock fault will be evaluated in the next field program in Q2 2022 along with drilling traverses in the areas of mineralised lode and epidotised granite.



**Figure 9:** Black and Glidden western soil grid showing distribution of quartz and calcite veining in the Grumpy Monzogranite

## CARRINGTON (E08/5113)



**Figure 10:** Carrington Soil Grids(Yellow) and structures in black

The Carrington tenement has limited vehicular access, so the initial filed based exploration involved a series of E-W soil traverses as shown in Figure 10 across a major NE SW fault. A single rock sample of vein quartz returned 0.15% Cu (Photo 2)

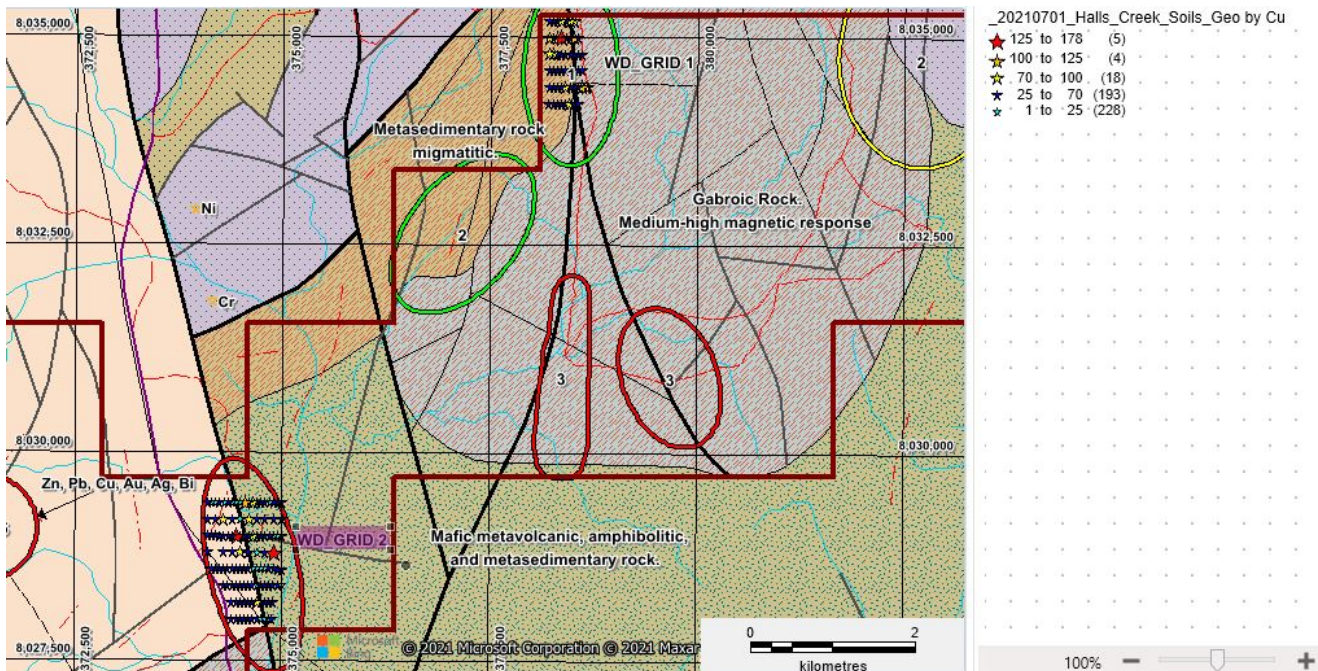




**Photo 2** Gossanous vein quartz L and coarse grained granite with a boudin of mafic schist

The remainder of the priority targets will be sampled in the next field period in 2022 including the EM conductor via helicopter traverses.

## **WILD DOG (E08/5115)**



**Figure 11:** Wild Dog Soil Grids(Yellow)

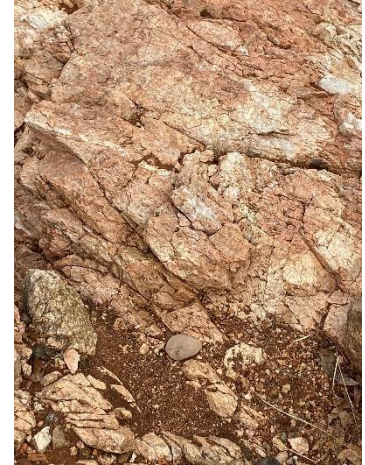




**Figure 12:** Wild Dog Cu ppm in Soils

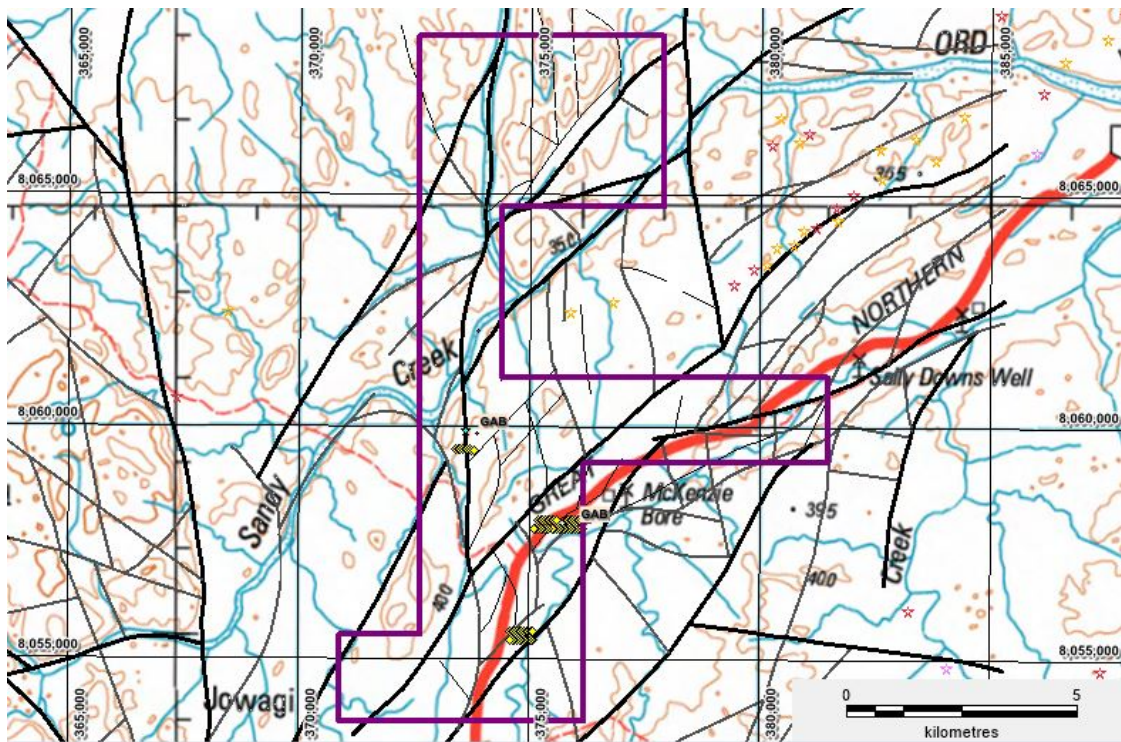
Surficial geochemical sampling at the Wild Dog tenement comprised two soil grids, Grids 1 and 2 (Figure 11 and 12). The grids were chosen to cover Priority 1 targets associated with N-S structures at lithology contacts. The dominant lithology for both grids was a coarse gabbro with localised sericite alteration. The base metal (Co, Cu and Ni) response for both areas was low with only Cu being locally elevated but not a level requiring further exploration. Several vehicle and foot traverses were completed across the NE of the tenement SE of Grid 1 encountering unaltered gabbro. A further foot traverse was made east of WD2 towards the Triangle Au and base metal prospect however there were no signs of any workings in a fairly open area. Several high priority targets in the western half of the tenement will need to be explored by helicopter traverses in the next field program.





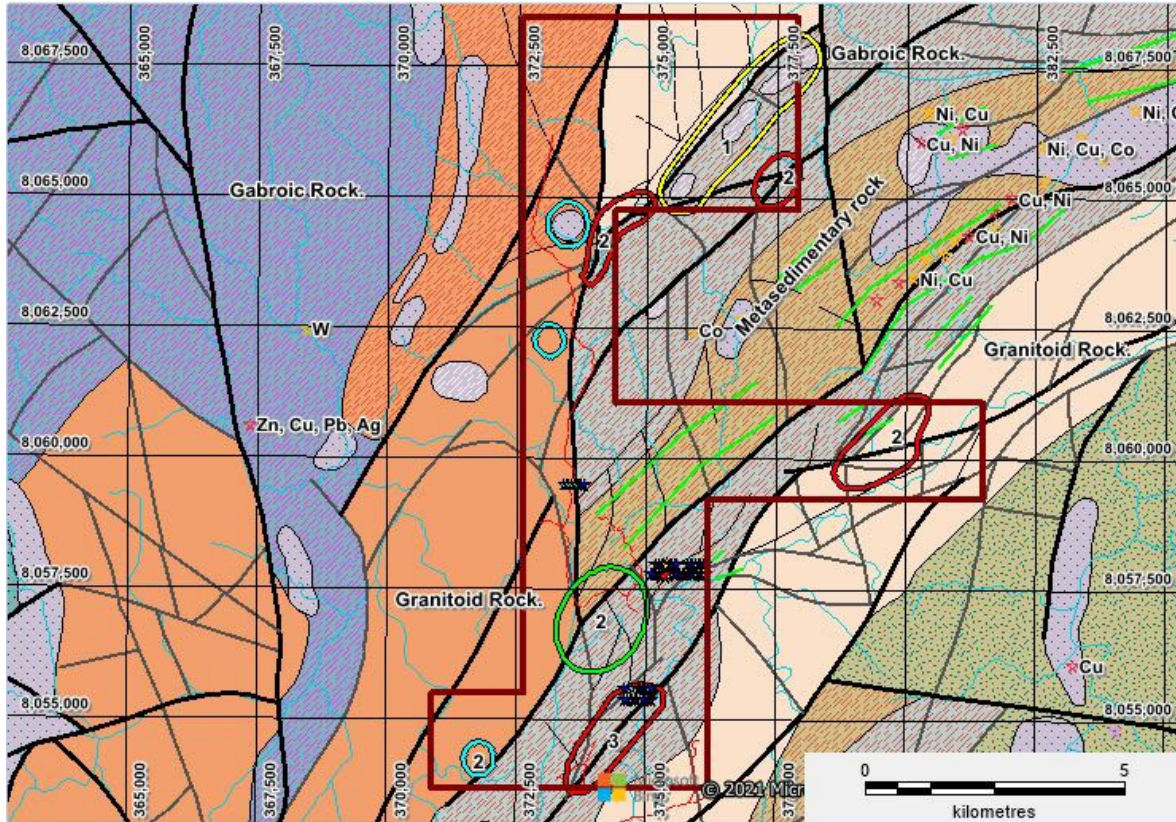
***Photo 3** Left and Right show abundant quartz veining in gabbro with the central photo showing potassic? alteration of a felsic intrusive*

## **SANDY CREEK (E08/5114)**



**Figure 13: Sandy Creek Soil Grids (Yellow)**





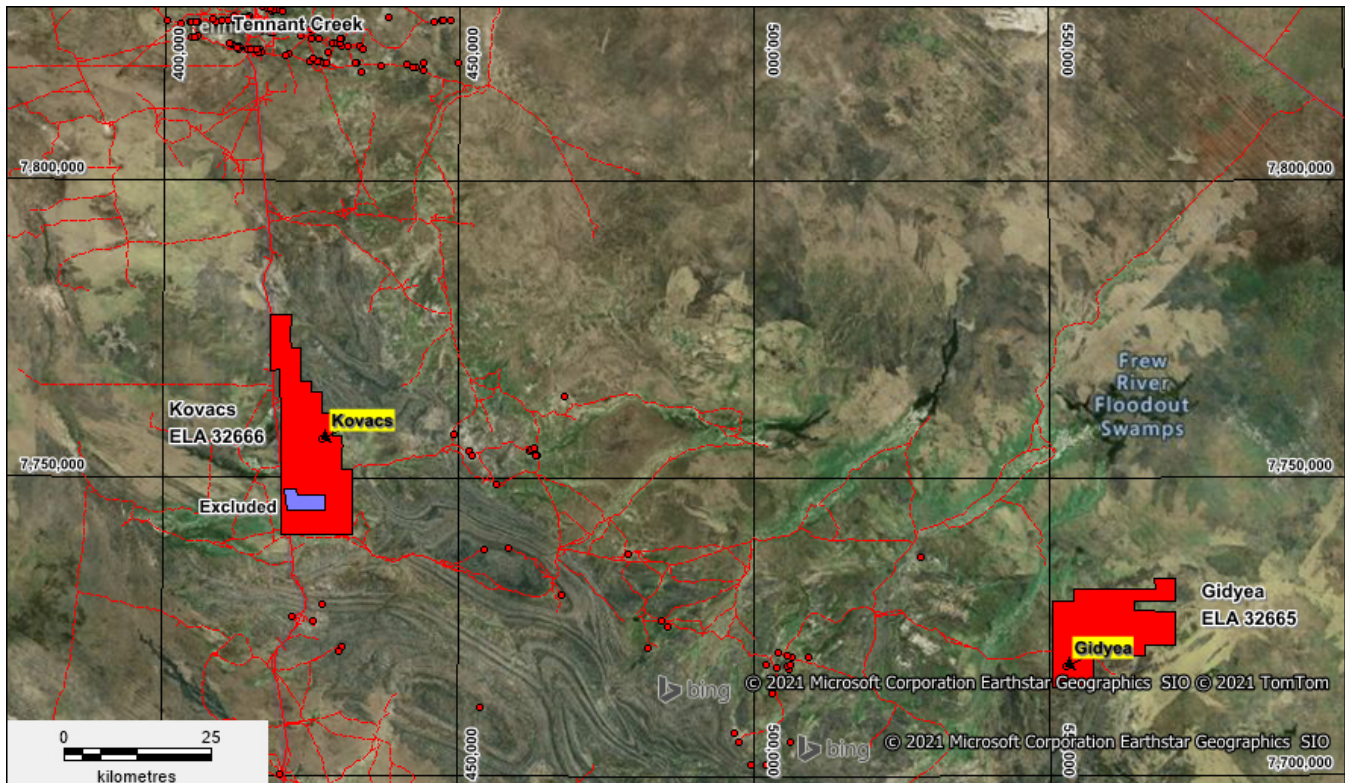
**Figure 14:** Sandy Creek target areas and soil sampling grids

In the limited sampling completed there is evidence of possible mineralisation with local abundant quartz veining and possible pink potassic alteration of some felsic intrusives. Vehicular access restrictions for most of the northern half of the tenement meant that soils sampling was only possible at select areas shown in Figure 13. The high priority base metal target shown as green zones in the centre of the tenement (Figure 14) and the high priority geophysical targets within gabbroic rocks will require helicopter supported geochemical and geological mapping traverses in 2022.



## Tennant Creek – (Kovac and Gidyea) Base Metal/Gold Projects - Northern Territory

*ELA 32666 and EL 32665 are held 100% by wholly owned subsidiary Kaili Gold Pty Ltd.*



**Figure 15: Regional Tenement Location SE of Tennant Creek – Kovacs and Gidyea**

In February 2021, the Group applied for two Exploration Licences (ELs) registered as ELA 32666 and ELA 32665 located to the south and south east of Tennant Creek (**Figure 15**) . During the quarter EL 32665 has been granted for a 6 year period to 14 September 2027.

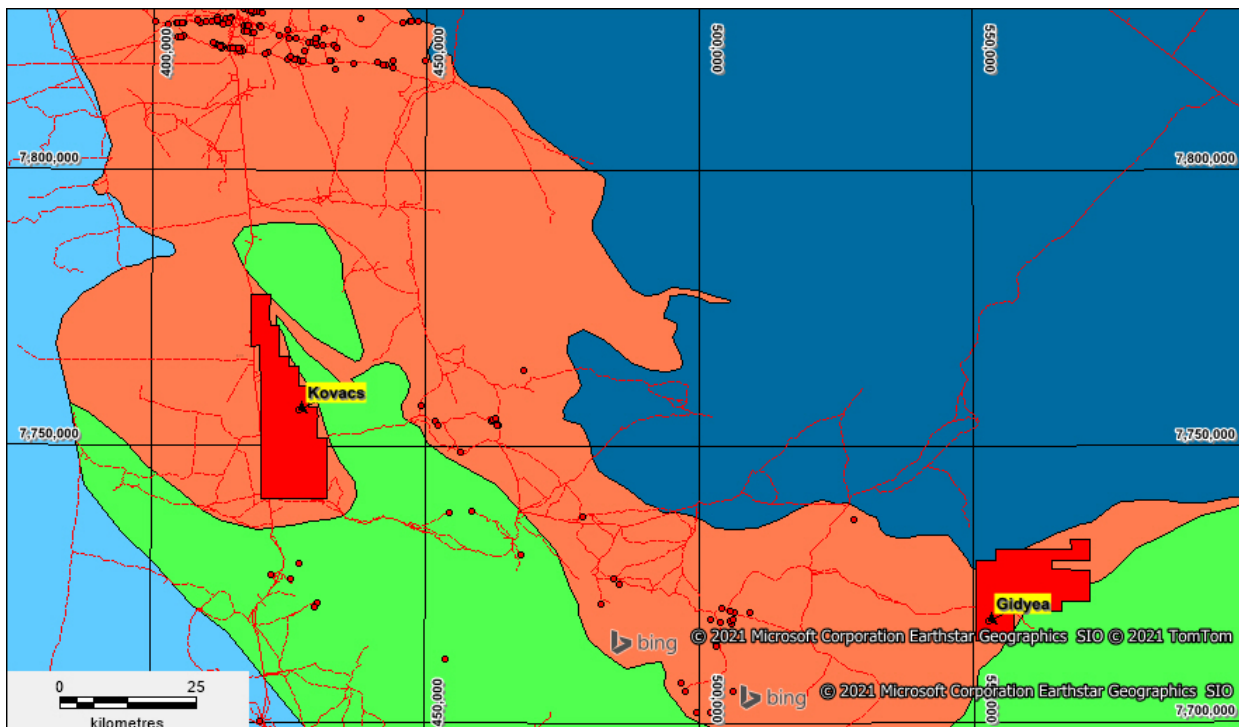
The Company has submitted detailed work programs to the Central Land Council (CLC) for review. The next stage will involve face to face meetings with Traditional Owners and representatives of the CLC to establish a time line for commencement of exploration.

### Historic Production of the Region

Since 1932 the Tennant Creek goldfield has produced in excess of 5 M ounces of gold (156 tonnes), 345,000 tonnes copper, 1.8 M ounces of silver (56 tonnes), 14,000 tonnes bismuth and 220 tonnes of selenium. Although production has come from over a hundred small to medium-sized deposits, the bulk of the historical production has come from twelve main orebodies, including Peko, Warrego, Nobles Nob and Juno. Gold and copper grades are variable, but the deposits typically have high gold grades. Mineralisation is generally related to ironstones, which have formed in structural

‘traps’ within the sedimentary pile and is not associated with quartz veining, which is typical of many Proterozoic goldfields.

Gold has been reported at two locations just west of Gidyea: at Kurinelli, approximately 50 km due west and in several small mines near the Hatches Creek Wolfram (Tungsten) Field, 30 km to the southwest. Reports are that the Kurinelli goldfield produced an estimated 2,600 ounces of gold since about 1900.



**Figure 16: Regional Geological Location SE of Tennant Creek – Kovacs and Gidyea**

*Warramunga Province (Shaded Brown), Davenport Province (Shaded Green), Georgina Basin (Shaded Dark Blue) and Wiso Basin (Shaded Light Blue)*

## Geology of the Region

The tenements are located in the mineral rich Paleoproterozoic Warramunga Province (shaded brown) and flanked by the younger Palaeoproterozoic Davenport Province (shaded green) (**Figure 16**). The Provinces are flanked by the Cambrian Wiso and Georgina Basins to the west and east respectively.

The Warramunga is represented by the Ooradidgee Group and the Davenport by the Hatches Creek Group; both comprise various sedimentary units including sandstone, siltstone, limestone and dolostone as well as felsic to mafic volcanics. Very low-grade regional greenschist metamorphism



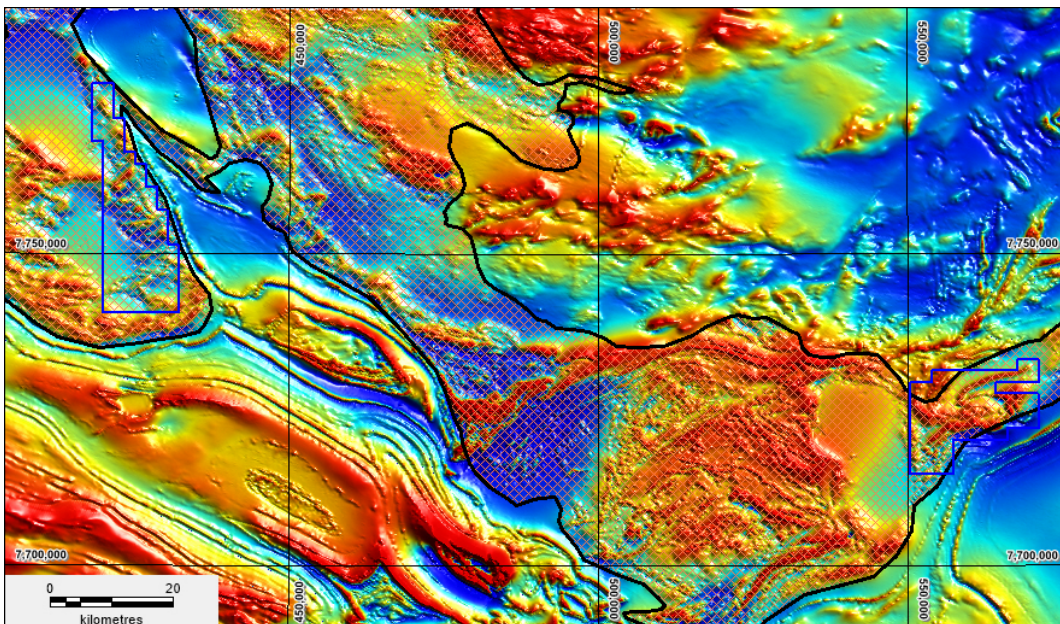
associated with folding and faulting has affected the Paleoproterozoic rocks. Locally there are indications of lower amphibolite facies metamorphism in the volcanics.

The Cambrian age sediments include sandstone, conglomerate, dolostone and chert. Fossiliferous units occur in the younger Cambrian stratigraphy. Intrusive igneous rocks include sills of granophyre, microgranite and feldspar porphyry, sills, dikes and irregular bodies of dolerite and gabbro and,

granites of varying ages. The igneous suites both pre and postdate the various deformational episodes. The placement of the Ooradidgee Group into the Warramunga Province has opened up new economic implications for the region, given the world class Tennant Creek copper-gold-bismuth deposit style occurs in similar aged rocks. In the case of Gidyea, the presence of anomalous gold in ferruginous sediments of what have been mapped as Ooradidgee Group is very encouraging.

### **Magnetics and Radiometrics**

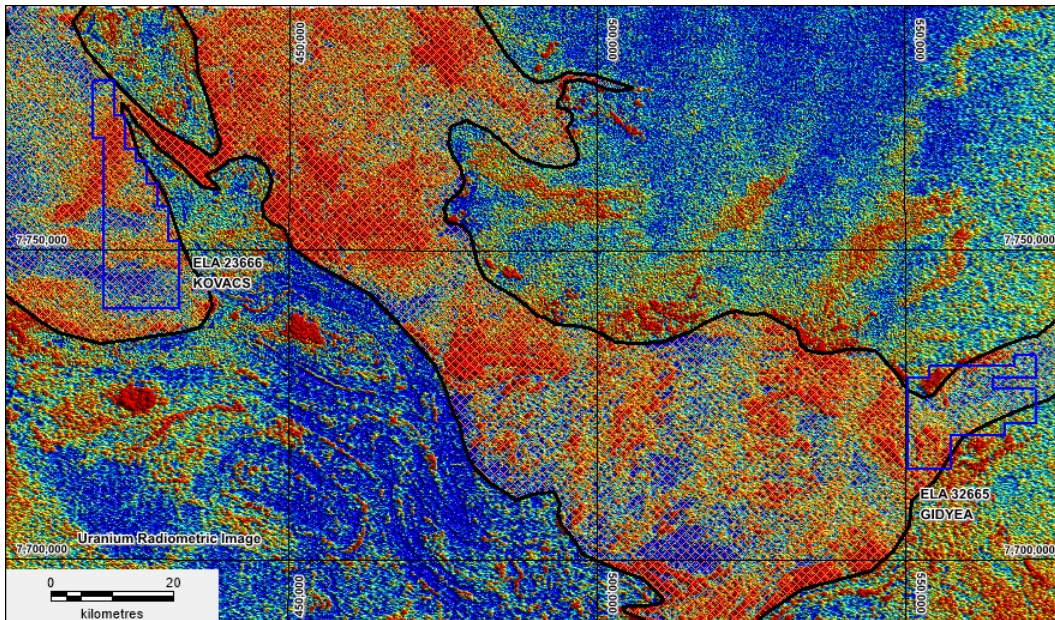
The regional stratigraphy is quite convoluted as shown by **Figure 17** and is particularly evident on the Gidyea Project (east). The images indicate the stratigraphy at Gidyea is highly folded and magnetic with historical sampling at the Gidyea Prospect returning elevated Gold and Cobalt results. The convoluted magnetic stratigraphy at Kovacs (east) hosts some small gold workings that have had no exploration since the 1980's. **Figure 18** shows a uranium radiometric image which clearly outlines the Warramunga Province.



**Figure 17:** Gidyea (east) and Kovacs (west) are shown on regional TMI magnetics with the Warramunga Province shown as a light hatching over the magnetics.



When current travel restrictions to the Northern Territory have been eased so that we can access our project field based exploration will commence in Q4 2021 or Q1 2022. In addition extra travel and access restrictions will apply to aboriginal areas in which we will have to travel. The initial exploration will involve a general geological reconnaissance of the tenement involving surface geochemical exploration.



**Figure 18:** Gidyea and Kovacs projects are shown on regional Uranium radiometrics with the Warramunga Province shown as a light hatching over the radiometrics.

## Exploration Expenditure

The expenditure incurred for exploration in the tenements for the quarter was \$85,000 as follows:

- Assay	\$21,000
- Geology/geophysics	\$14,000
- Rent and other project management costs	\$50,000

## Payments to related parties of the entity and their associates

The aggregate amount of payments to related parties and their associates included in item 1 (Cash Flows from Operating Activities) reported in item 6.1 of the Appendix 5B Cash Flow Report was \$44,000 for the quarter, consisting of the following:

- Salary and superannuation contribution for the executive director	\$31,000
- Rental of office premises from the executive director	\$12,000



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## LICENCES STATUS

Pursuant to ASX Listing Rule 5.4.3 the Company reports as follows in relation to minerals tenements (**Table 2**) held at the end of the September 2021 quarter and their locations. No tenements were acquired or disposed of during that quarter other than EL32665 Gidyea in the Northern Territory was granted and Gindalbie Dam was relinquished. Renewals were approved for Canegrass, Holey Dam and Jungle Hill. A relinquishment application has been lodged for Eight Mile Dam after the quarter.

Granted	Tenement	Name	Commodity	Region	Registered Holder	Beneficial Interest	Area km <sup>2</sup>	Expiry	Comments
8-07-2016	E40/354	8 Mile Dam	Gold	WA - Yilgarn Craton	Kaili Gold P L	100%	32.2	7-07-2021	Surrender Lodged Oct 2021
30-05-2016	E31/1114	Jungle Hill	Gold	WA - Yilgarn Craton	Kaili Gold P L	100%	68.7	29-05-2026	5 Year Renewal Granted
30-05-2016	E31/1113	Canegrass	Gold	WA - Yilgarn Craton	Kaili Gold P L	100%	50.4	29-05-2026	5 Year Renewal Granted
1-07-2016	E27/550	Holey Dam	Gold	WA - Yilgarn Craton	Kaili Gold P L	100%	26.6	30-06-2026	5 Year Renewal Granted
1-07-2016	E27/549	Gindalbie Dam	Gold	WA - Yilgarn Craton	Kaili Gold P L	100%			Surrendered 29/06/2021
31-08-2018	E80/5112	Black and Glidden	Cobalt/Gold/Copper/Nickel	WA - Lamboo Province	Kaili Iron P L	100%	104	31-08-2023	
31-08-2018	E80/5113	Carrington	Cobalt/Gold/Copper/Nickel	WA - Lamboo Province	Kaili Iron P L	100%	52.1	31-08-2023	
31-08-2018	E80/5114	Sandy Creek	Cobalt/Gold/Copper/Nickel	WA - Lamboo Province	Kaili Iron P L	100%	65.3	31-08-2023	
31-08-2018	E80/5115	Wild Dog	Cobalt/Gold/Copper/Nickel	WA - Lamboo Province	Kaili Iron P L	100%	71.1	31-08-2023	
Application	EL 32666	Kovacs	Gold/Base Metals	NT - Warramunga Province	Kaili Gold P L	100%	289.06		Application 23/02/2021
14-09-2021	EL 32665	Gidyea	Gold/Base Metals	NT - Warramunga Province	Kaili Gold P L	100%	241.9	14-09-2027	6 Year Granted Tenement
							Total	1,001.4	

**Table 2: Tenement schedule**

### Competent Person Statement

The information in the report above that relates to Exploration Results, Exploration Targets and Mineral Resources is based on information compiled by Mr Mark Derriman, who is the Company's Consultant Geologist and a member of The Australian Institute of Geoscientists (1566). Mr Mark Derriman has sufficient experience that is relevant to the style of mineralization and type of deposit under consideration and to the activities which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Exploration Targets, Mineral Resources and Ore Reserves. Mr Mark Derriman consents to the inclusion in this report of matters based on his information in the form and context in which it appears.

### Forward-Looking Statement

This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning planned exploration program and other statements that are not historical facts. When used in this document, the words such as "could", "plan", "estimate", "expect", "intend", "may", "potential", "should" and similar expressions are forward-looking statements. Although Kaili Resources Limited believes that its expectations reflected in these forward looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements.

Authorised by:

**Jing Li**  
 Director

**Long Zhao**  
 Director and Company Secretary

## Appendix 5B

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

Name of entity

KAILI RESOURCES LIMITED

ABN

39 077 559 525

Quarter ended ("current quarter")

30 SEPTEMBER 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation		
(b) development		
(c) production		
(d) staff costs	(31)	(89)
(e) administration and corporate costs	(82)	(321)
1.3 Dividends received (see note 3)		
1.4 Interest received	4	10
1.5 Interest and other costs of finance paid	-	(14)
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other (GST, projects)	(1)	(15)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(110)</b>	<b>(429)</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		
(d) exploration & evaluation	(122)	(194)
(e) investments		
(f) other non-current assets		



Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 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 (Security deposit refund)	233	233
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>111</b>	<b>39</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		
3.5	Proceeds from borrowings	-	800
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (lease payments)	-	(234)
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>566</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	207	32
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(110)	(429)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	111	39
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	566

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held		
4.6	<b>Cash and cash equivalents at end of period</b>	208	208

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	208	207
5.2	Call deposits	-	-
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	208	207

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	43
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>		



<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.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	3,400	2,400
7.2 Credit standby arrangements		
7.3 Other (please specify)		
7.4 <b>Total financing facilities</b>	3,400	2,400
7.5 <b>Unused financing facilities available at quarter end</b>		1,000
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.		
Yitai Group (Hongkong) Co., Ltd, a related company of the ultimate parent company Inner Mongolia Yitai Investment Co., Limited has confirmed financial support to the Group undertaking to provide additional interest free and unsecured funds up to \$1 million until 1 April 2022 over and above the fully drawn existing loan facility of \$2.4 million maturing on 1 April 2022.		

<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)	(110)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(122)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(232)
8.4 Cash and cash equivalents at quarter end (item 4.6)	208
8.5 Unused finance facilities available at quarter end (item 7.5)	1,000
8.6 Total available funding (item 8.4 + item 8.5)	1,208
8.7 <b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	5.21
<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

*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: 29 October 2021

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Authorised by: Jing Li, Director

Long Zhao, Director and Secretary

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(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.