



27 November 2020

ASX Market Announcements

CHAIRMAN'S ADDRESS TO THE 2020 ANNUAL GENERAL MEETING

Dear Shareholders,

It has been a tumultuous time since our last meeting. The investment market has been very volatile in an environment of rising trade disputes between the 2 largest economies and our country's main trading partners, USA and China. The Covid-19 virus pandemic exacerbated the already fragile commercial world forcing multiple shut down of economies worldwide with an eventual severe global recession. The unusually fast development of effective vaccines against the virus gives us some relief to look forward to a less stressful environment in 2021. Hopefully, better political and commercial co-operation between countries worldwide will result in a more harmonious world that is good for business.

The travel restrictions imposed by the government during the first half of 2020 had forced us to pause our field exploration activities. However, as soon as those restrictions were lifted, we hit the ground running from mid-June 2020 to implement our planned exploration program in our tenements near Broken Hill in NSW.

We carried out soil and rock sampling programs at both EL 8747 and EL 8545 that were promptly followed by drilling 10 Reverse Circulation ("RC") holes at Stirling Vale in EL 8747 and a Ground Induced Polarisation ("IP") survey at Nth Kanbarra in EL 8745.

Unfortunately, we continue to be impacted by the Covid-19 pandemic with the results of our RC drilling delayed by over a month when the laboratories carrying our assays and tests are affected by staff shortages under increased volume of work. We have now received most of the results and when all have been received our Chief Technical Officer will be completing his review and assessment to eventually allow an announcement and a plan for any follow up field and drill program as soon as possible.

Following our review of the encouraging data generated from the IP survey, we have planned to drill 3 to 5 Core/RC holes at Nth Kanbarra but we have been requested to carry out a 'test of significance' for any habitat of the endangered species Thick-billed Grasswren at the sites. This survey delays decision of any drilling to early 2021 subject to clearance by both State and Federal governments.

The future of greater adoption of electric vehicles worldwide in the coming decades is getting stronger with countries deciding to ban the sale of vehicles running with petrol or diesel from as early as 2030 and some manufacturers deciding to bring forward their decision to produce higher proportion of electric vehicles. This bodes well for the minerals, cobalt, zinc, nickel, copper and chromium, that we are exploring for at both Broken Hill and Brungle Creek. As the world overcomes the current recession with the economic stimulus that are introduced in many countries, we can expect rising demand for those minerals. We are therefore seeking grant of additional areas for exploration of those minerals while gold exploration remains within our sight. Gold has been a very good investment in the last 2 years, but with lesser volatility in the investment market we may not see repeats of that performance in the near term.

Trading volume and market price of our shares were quite hectic during the recent period of our intensive field activities as investors rightly seek to partake in any successful discoveries from our drilling program. Based on the work results to date we believe that there can much value to be derived from further exploration within our existing tenements in the medium term.

We recently raised equity capital of \$518,400 kept modest, sufficient to carry out our planned exploration activities and support our low operations cash burn, to minimize dilution of our shareholders' interests while our share price is low. Although there was quite high demand for larger placement amount with a few sophisticated investors we opted to provide a higher proportion of the equity capital raising under a share purchase plan to allow more small shareholders to participate. Those new shares carry an entitlement for eligible subscribers to receive a Junior Minerals Exploration Incentive credit, approved by the Australian Taxation Office and usable in their 2021 tax return, that will be determined after the Company's 2021 financial year. We have proposed a motion at this meeting to allow us to raise additional capital in the next 3 months in the event that we need to expand our exploration program from the current plan, and the proxies received show good support for that motion.

I wish to thank all our shareholders for their continued support as we look forward to a fruitful 2021 and beyond

Boris Patkin,
Chairman.

