Suite 4.01, Level 4
105 St Georges Terrace
Perth, WA 6000

T. +61 (8) 6102 8072
E. info@pathfinderresources.com.au

Managing Director
Shannon Green

Non-Executive Chairman
Sufian Ahmad

Non-Executive Director
Hugh Callaghan

Non-Executive Director
Stephen Windle

Company Secretary
Ailsa Osborne

ASX:PF1

Enquiries regarding this announcement can be directed to:

Company Secretary
Ailsa Osborne
T. +61 (8) 6102 8072

Follow @PF1_Pathfinder on Twitter

Follow Pathfinder Resources on LinkedIn

PATHFINDER RESOURCES LTD

29 October 2021

Quarterly Activities Report

- **Hamersley Iron Ore Project spin out completed.**
- **Permitting activities at the King Tut Project continue.**
- **Electromagnetic geophysical survey of the King Tut Project completed.**
- **Extensive community relations activities have built strong and supportive relationships with local communities and administrators surrounding the King Tut Project.**

Pathfinder Resources Ltd (**Pathfinder, PF1** or the **Company**) is pleased to provide the following summary of activities undertaken during the quarter ended 30 September 2021 (**September Quarter**).

King Tut Project

Exploration Activities

During the September Quarter, the Company continued to progress permitting for its maiden diamond drilling program.

Geophysics Survey

On 16 August 2021, the Company announced the completion of the planned electric resistivity tomography geophysical survey of the King Tut tenement.

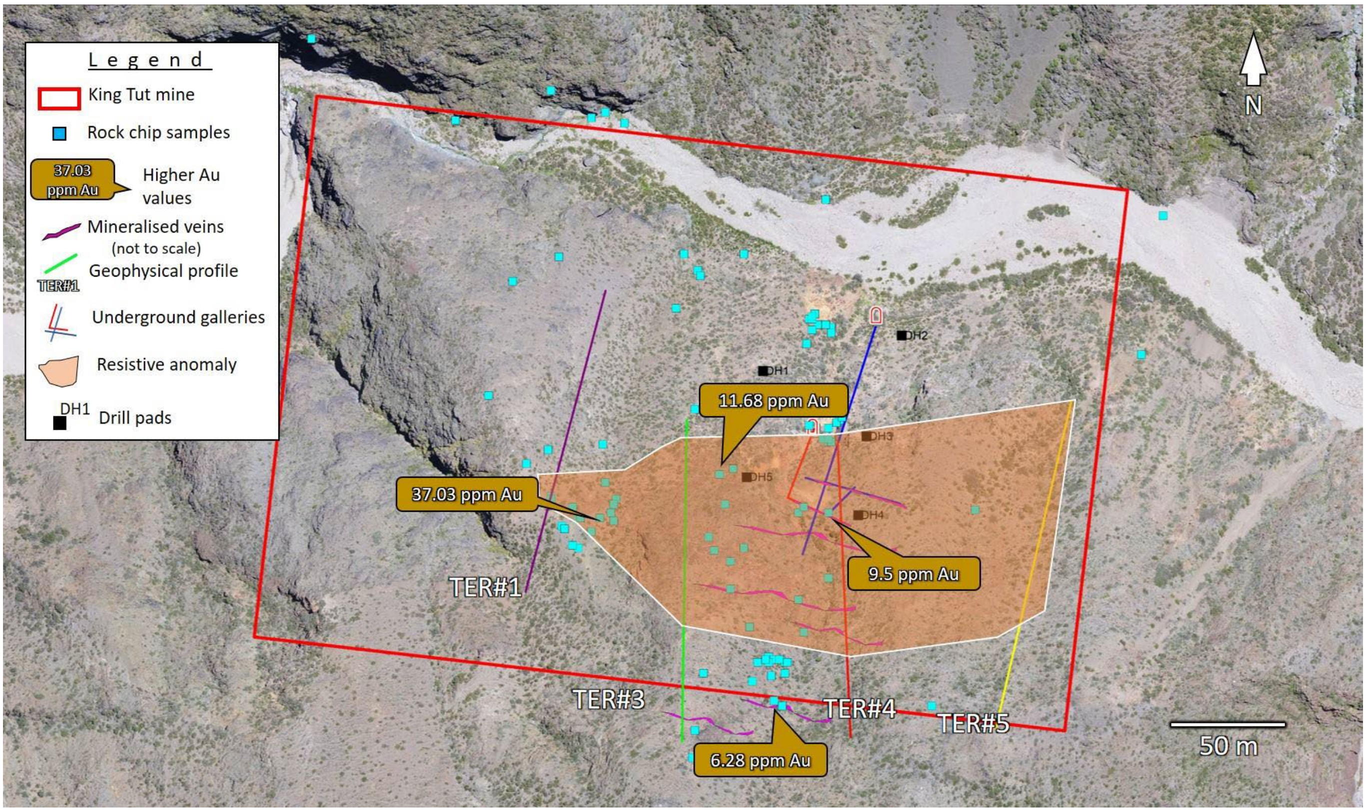
The fieldwork was undertaken by experienced professionals ALH Geophysics (ALH) based in San Juan.

Despite the steep terrain surveyed, see Figure 1 below, the Company was able to safely test the length of 4 of the 5 proposed sections, traversing across the known mineralised veins.

Figure 1: Field Workers Placing Electrodes

The ERT Survey improved the Company's understanding of the size and spatial disposition of inferred mineralised structures which has been used to further optimise the upcoming inaugural drilling program. See Figure 2 below showing planned drill hole locations in reference to the resistive anomaly.

Figure 2: Map showing planned drill pads and resistivity anomaly



Diamond Drilling Program Update

As announced on the 16 August 2021, all submissions required, including municipal permitting approvals are now with the Mining and Environmental Administration for final approval.

The Company is engaging with officials through its Argentinian representatives to advance these approvals.

Hamersley Iron Ore Project

Divestment of Hamersley Iron Ore Project

On 9 July 2021, the Group together with Lockett Pty Ltd (a subsidiary of ASX listed Cazaly Resources Limited (ASX:CAZ)) executed a Binding Terms Sheet with Equinox Resources Limited (ACN 650 503 325) (Equinox) for the sale of their respective interests in the Hamersley Iron Ore Project. The sale of the Project is conditional upon Pathfinder shareholder approval in accordance with ASX Listing Rule 11.4.1(b), amongst other things.

Equinox has undertaken an initial public offer (IPO) and sought listing on the official list of the Australian Securities Exchange with the prospectus lodged on 31 August 2021. The IPO raised $9 million (before costs) through the offer of 45 million shares, at an issue price of $0.20 per share.

Under the transaction, Pathfinder received 35,000,000 shares and 6,650,000 performance shares and Lockett Pty Ltd received 15,000,000 shares and 2,850,000 performance shares.

In conjunction with the sale of the Hamersley Iron Ore Project, Pathfinder agreed to advance Equinox an amount of up to $320,000 by way of an interest free loan to be used by Equinox to pay the expenses in respect

Suite 4.01, Level 4, 105 St Georges Terrace, Perth WA 6000
T. +61 (8) 6102 8072 E. info@pathfinderresources.com.au

of the Equinox IPO, to be repaid out of the proceeds of the Equinox IPO. At 30 September the Company had advanced Equinox $221,000 in respect of this loan.

On 26 July 2021, the Company issued a Notice of Meeting in respect of the Divestment of the Hamersley Iron Ore Project. The resolution was carried on poll at the meeting held on 27 August 2021.

Completion of the transaction was announced on 12 October 2021, post quarter end.

Bloom Lake Cobalt Project

The Company maintained the tenements comprising the Bloom Lake Cobalt Project in Canada during the September quarter. Activities commenced during the Quarter with 14 samples collected from the Bloom Lake tenements over a 5-day period. The samples have been sent for analysis.

Corporate

Board and Management

On 23 September 2021, the Company announced the resignation of Managing Director, Shannon Green effective 16 November 2021.

Post quarter end, on 5 October 2021, the Company announced the appointment of Dr. Stephen Windle as Non-Executive Director.

Finance

The Company closed the September Quarter with a cash balance of $2,753,031.

At 30 September the Company had advanced a total of $221,000 to Equinox Limited in respect of the loan agreement announced on 9 July 2021. Post the end of the Quarter Equinox repaid the advanced funds in full.

Use of Funds

A comparison of the Company's actual expenditure since admission to the Official List of ASX on 30 October 2020 to 30 September 2021 against estimated expenditure in the Use of Funds statement in the Prospectus is set out below in accordance with ASX Listing Rule 5.3.4. The table also shows the Company's expenditure for the September Quarter, as required by ASX Listing Rule 5.3.1:

	Prospectus	Expenditure since admission	**Sept Qtr**
Preliminary on ground exploration at the King Tut Project	598,169	453,070	54,975
Drilling at the King Tut Project	2,340,422	88,455	20,371
King Tut Project management costs	400,000	288,115	89,199
Repayment of debt to creditors	550,000	579,951	-
M&A budget for complementary assets[2]	749,859	270,641	215,024
Expenses of the Offers[1]	510,000	860,817	-
Administration costs	700,000	584,453	227,787
Working capital [3]	460,051	429,967	51,889
	6,308,501	3,555,469	659,245

1. *Expenses of the Offers – variance $350,817*

As reported in the quarter ended 31 December 2020, Additional Legal, Compliance and Regulatory costs associated with the offer.

Suite 4.01, Level 4, 105 St Georges Terrace, Perth WA 6000
T. +61 (8) 6102 8072 E. info@pathfinderresources.com.au

2. Vendor Loan Agreement – Equinox Resources Limited

Included in M&A budget for complementary assets is the advance to Equinox of $221,000. As announced on 9 July 2021, in conjunction with the sale of the Hamersley Iron Ore Project, Pathfinder agreed to advance an amount of up to $320,000 by way of an interest free loan to be used by Equinox to pay the expenses in respect of the Equinox IPO, the fund advanced to be repaid out of the proceeds from the Equinox IPO, repayment of the loan was made post quarter end on 15 October 2021.

3. Working Capital – Legal Fees Airguide

Included against the Working Capital budget are the legal fees associated with the defence of the Airguide claim and filings as required by SIAC prior to commencement of the Arbitration Hearing. At the date of this announcement the matter has not been heard before the Arbitrator.

Payments to Related Parties

Pursuant to section 6 of the Company's Appendix 5B, and as required under ASX Listing Rule 5.3.5, during the Quarter the Company paid $18,000 in accrued and current Directors' fees.

- END -

This announcement has been approved by the Board of Pathfinder Resources Ltd.

For further information, please contact:

Shannon Green | **Managing Director**

Phone: +61 8 6102 8072

Email: info@pathfinderresources.com.au

www.pathfinderresources.com.au

Interests in Mining Tenements at 30 September 2021

Western Australia[1]	M47/1450	Granted	70%
Canada, Bloom Lake	221266, 221267, 229223 243759, 251792, 251793 251794, 287807, 308044 325202, 336173, 582713 582714	Granted	100%
Argentina[2]	168-L-1939	Granted	100%
	66-C-2005	Granted	100%
	28-L-2011	Pending approval	100%

1. Pathfinder's interest in the Hamersley Iron Ore Project is by way of an unincorporated joint venture with Lockett Fe Pty Ltd, a subsidiary of Cazaly Resources Ltd.
2. Pathfinder's interest in the Tenements located in the La Rioja Province in Argentina are held through its wholly owned subsidiaries Blue Gold Mining Pty Ltd (BGM) and Sandrino Gold Pty Ltd (SG) which, through their respective Argentine subsidiaries Tres Elementos SA (TESA) and Tecno Minera SA (TMSA), collectively own the Tenements the subject of the King Tut Project.

Compliance Statement

This announcement contains information relating to a Mineral Resource in respect of the Hamersley Iron Ore Project extracted from an ASX market announcement entitled "Hamersley Iron Ore Project Mineral Resource JORC Code 2012" released by Pathfinder on 23 February 2021 and reported in accordance with the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (**JORC Code**). The original market announcement is available to view on www.pathfinderresources.com.au and www.asx.com.au. Pathfinder is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources (as that term is defined in the JORC Code) that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

Forward Looking Statements

Information included in this release constitutes forward-looking statements. Often, but not always, forward looking statements can generally be identified by the use of forward looking words such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "continue", and "guidance", or other similar words and may include, without limitation, statements regarding plans, strategies and objectives of management, anticipated production or construction commencement dates and expected costs or production outputs. Forward looking statements inherently involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance and achievements to differ materially from any future results, performance or achievements. Relevant factors may include, but are not limited to, changes in commodity prices, foreign exchange fluctuations and general economic conditions, increased costs and demand for production inputs, the speculative nature of exploration and project development, including the risks of obtaining necessary licenses and permits and diminishing quantities or grades of reserves, political and social risks, changes to the regulatory framework within which the company operates or may in the future operate, environmental conditions including extreme weather conditions, recruitment and retention of personnel, industrial relations issues and litigation. Forward looking statements are based on the Company and its management's good faith assumptions relating to the financial, market, regulatory and other relevant environments that will exist and affect the Company's business and operations in the future. The Company does not give any assurance that the assumptions on which forward looking statements are based will prove to be correct, or that the Company's business or operations will not be affected in any material manner by these or other factors not foreseen or foreseeable by the Company or management or beyond the Company's control. Although the Company attempts and has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in forward looking statements, there may be other factors that could cause actual results, performance, achievements or events not to be as anticipated, estimated or intended, and many events are beyond the reasonable control of the Company. Accordingly, readers are cautioned not to place undue reliance on forward looking statements. Forward looking statements in these materials speak only at the date of issue. Subject to any continuing obligations under applicable law or any relevant stock exchange listing rules, in providing this information the company does not undertake any obligation to publicly update or revise any of the forward-looking statements or to advise of any change in events, conditions or circumstances on which any such statement is based.

Suite 4.01, Level 4, 105 St Georges Terrace, Perth WA 6000
T. +61 (8) 6102 8072 E. info@pathfinderresources.com.au

Appendix 5B

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

Name of entity

PATHFINDER RESOURCES LTD

ABN	Quarter ended ("current quarter")
80 085 905 997	30 SEPTEMBER 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) exploration & evaluation	(49)	(49)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(34)	(34)
	(e) administration and corporate costs	(195)	(195)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	2	2
1.5	Interest and other costs of finance paid	(1)	(1)
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**	**(277)**	**(277)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	(165)	(165)
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 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	(197)	(197)
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	**(362)**	**(362)**

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	(20)	(20)
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**	**(20)**	**(20)**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	3,412	3,412
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(277)	(277)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(362)	(362)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(20)	(20)

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**2,753**	**2,753**

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	2,753	3,412
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)**	**2,753**	**3,412**

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	18
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.

6.1 Amounts shown relate to Non-Executive Chairman and Non-Executive Director fees 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	26	26
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.

Comprise Insurance Premium Funding for the FY2022 year

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(277)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(165)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(442)
8.4	Cash and cash equivalents at quarter end (item 4.6)	2,753
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	2,753
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	6.23

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:

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:

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:

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

Authorised by: The Board of Pathfinder Resources Ltd
(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.