

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDING 30 SEPTEMBER 2022

HIGHLIGHTS

- Pure's maiden drill programmed return result of 1.38% Ni
 - A significant 1.8km geochemical anomaly was identified to be targeted with follow-up drill testing.
 - Completion of Loyalty Option Issue to raise \$17,256.17 (before costs).
-

Pure Resources Limited ("**Pure**" or "**Company**") is pleased to provide the following report on its activities during the quarter ending 30 September 2022. The Company's primary focus during the reporting period was the reconnaissance sampling and maiden drill program at its Yundamindra Project (the "**Project**").

The Company completed a non-renounceable entitlement issue of options to eligible shareholders ("**Loyalty Options**"), as detailed in the Prospectus dated 25 August 2022 and announced to the Australian Securities Exchange ("**ASX**") on the same date ("**Offer**") raising \$17,256.17 (before costs).

Pure's Executive Chairman, Patric Glovac, commented:

"During the quarter, Pure focused its exploration activities on the Yundamindra Project, which included reconnaissance sampling of the project that was followed up by the Company's maiden drill program. The results of both programs were released after the quarter's end and were both promising and warranted follow-up exploration."

"To thank the loyalty of Pure's shareholders since the Company's listing on ASX, the Company completed a Loyalty Option Issue that was strongly supported by the shareholders. I would personally like to thank the shareholders of Pure for their ongoing loyalty and support."

Yundamindra Project

The Project consists of two tenements (E39/2251 & E39/2254) prospective for Kambalda Style nickel, and orogenic gold mineralisation (Figure 1). E39/2251 shares the same rock types and sits directly south, along strike, from the Eucalyptus Bore Ni-Co Project which has an Ore Reserve of 32.2 Mt @ 0.91% Ni & 0.06% Co. Concerning the gold potential, numerous prospects and historical workings occur both within greenstone and granite lithologies. Gold mineralisation is shear related and hosted by relatively high-grade auriferous quartz veins.

During an initial site visit conducted in August 2022, ten rock chip samples were collected from outcropping ultramafic rocks at the Project (Figure 2) to validate the potential for near-surface nickel mineralisation. Due to the presence of komatiitic rock types, which are essential for the development of Kambalda Style nickel deposits, the Company believes

there is the potential for lateritic and sulphide-hosted nickel-cobalt mineralisation. During the fieldwork, geologists observed wide areas of outcropping to sub-cropping ultramafic rocks, in parts covered by a thin veneer of transported colluvium.

The reconnaissance sampling of outcropping ultramafic rocks returned promising nickel values of 0.35% Ni (PRRK07), 0.31% Ni (PRRK08) and 0.29% Ni (PRRK09) (Table 1).

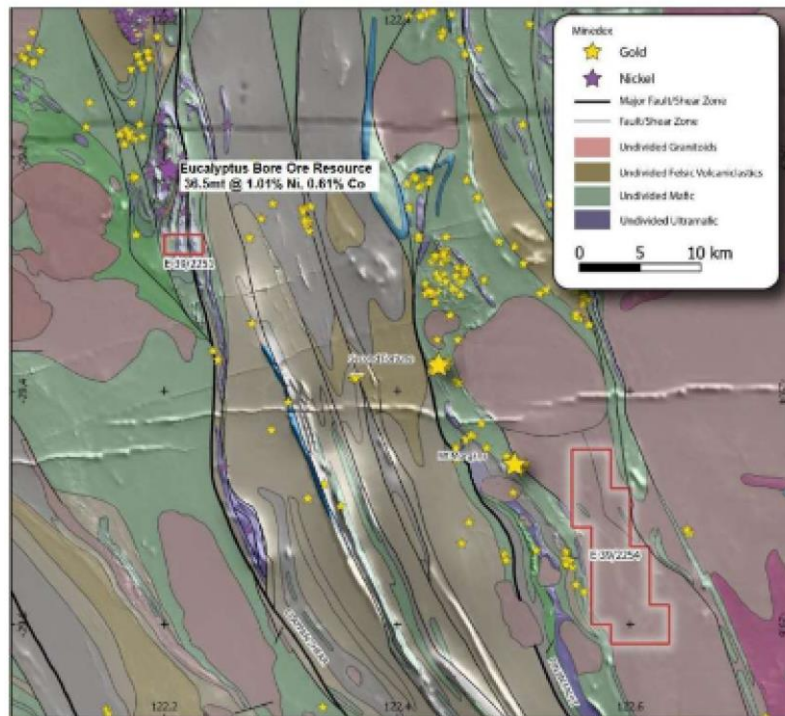


Figure 1: Geology of the Yundamindra Project

Table 1: Rock Chip Sample Results

Sample_ ID	Easting	Northing	Ni (ppm)	S (ppm)	Co (ppm)	Cr (ppm)	Cu (ppm)	Au (ppb)
PRK01	424602	6760709	929	2170	52.5	411	57.1	10.3
PRK02	423637	6761108	1640	4090	90.4	633	22.4	11.3
PRK03	424610	6761203	363	BDL	11.1	59	3.8	1
PRK04	424754	6761010	493	200	7.3	106	5.7	0.8
PRK05	424677	6761409	630	809	22.2	1080	45.2	8
PRK06	424241	6760917	81.3	362	16.2	49	33.1	BDL
PRK07	423403	6760601	3530	2230	117	707	28.8	12.1
PRK08	424552	6761103	3100	5280	105	3310	22.9	1.2
PRK09	423436	6761026	2880	2540	55.6	512	7.8	1
PRK10	425501	6761401	301	364	14.3	207	10.6	2.5

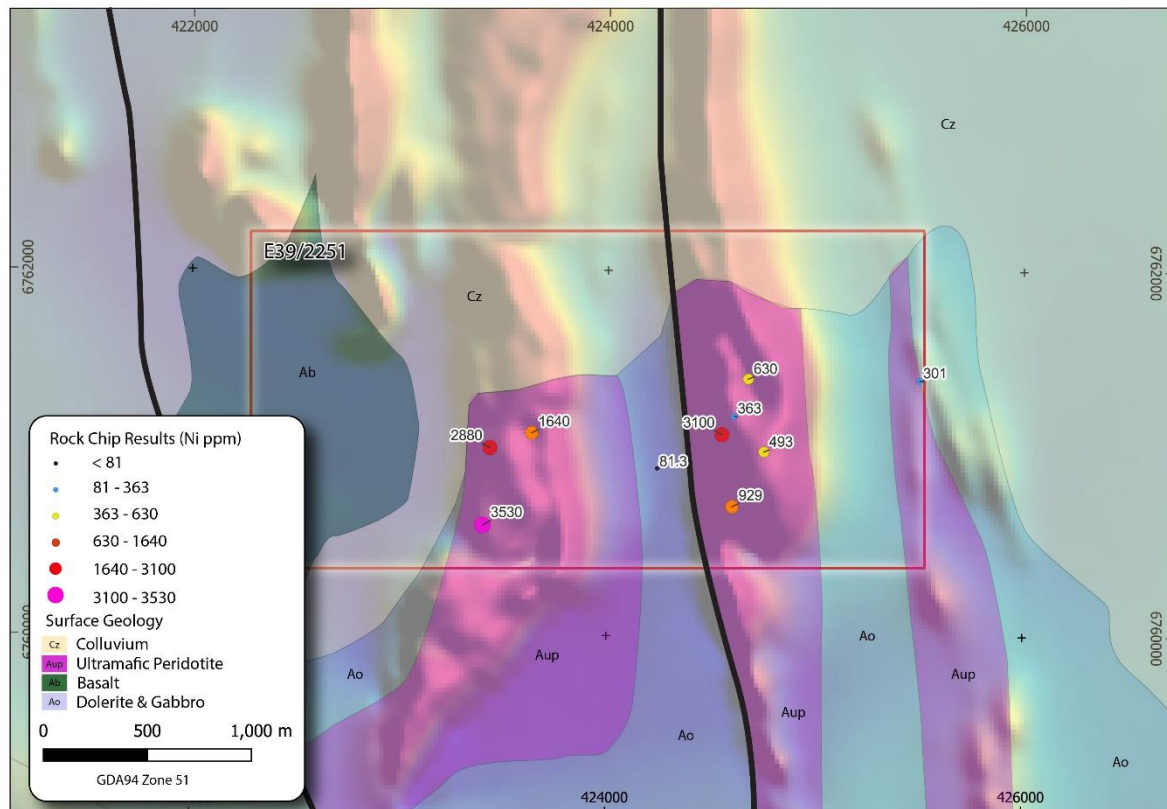


Figure 2: Rock Chip Sample Results with geology over magnetics.

Pure followed up the initial soil sample with the Company's maiden drill program in September, which consisted of 1,171 auger drill holes. The program returned multiple assays >1% Ni (Table 2) with a peak assay of 1.38% Ni. The results from the auger campaign have highlighted a contiguous geochemical anomaly (>2,650ppm Ni, 90th percentile) that extends north-south over 1.8km (Figure 3). Additionally, the auger drilling has identified multiple, discrete nickel anomalies or 'hot spots' within broader geochemical haloes.

The auger results validate that there exists the potential for near-surface nickel mineralisation and the Company will now test the potential for lateritic and sulphide-hosted nickel-cobalt mineralisation.

Table 2: Auger Sample Results (>8,000ppm Ni)

Sample ID	Sample Type	Sample Depth	East	North	Ni_ppm	Co_ppm	Cr_ppm	Cu_ppm	S_pct	Au_ppb
003314	AUGER	1.5	422856	6761801	10100	259	3890	39	0.188	2.9
003351	AUGER	1	423552	6761703	8540	176	1700	30.4	0.233	33.3
003478	AUGER	2	423405	6761501	8290	396	1520	31.8	0.331	4.1
003562	AUGER	2	423447	6761412	9050	494	1580	58.7	0.19	5.4
003997	AUGER	1.5	423355	6760705	9800	352	2320	33.4	0.165	9.5
003998	AUGER	2	423407	6760702	11800	378	1610	41.4	0.252	9.9
004083	AUGER	1.5	423401	6760601	13300	234	2440	34.4	0.257	6.7
004128	AUGER	1.25	423395	6760498	8310	201	1680	37.8	0.369	32.5
004129	AUGER	1.25	423452	6760498	13800	243	2350	36.6	0.427	14
004148	AUGER	1.25	423451	6760406	8690	348	1150	13.4	0.354	10.6

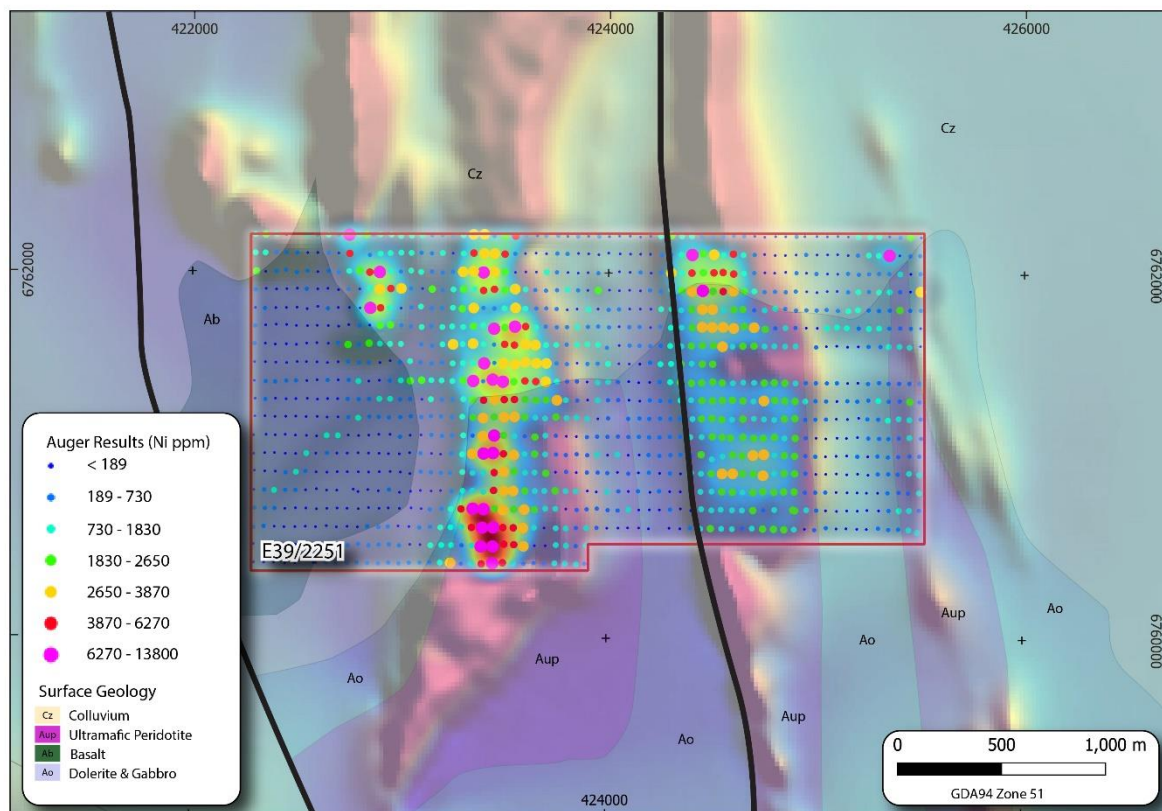


Figure 3: Auger Results with geology over magnetics.

Corporate Activity

During the quarter, the Company announced the completion of its non-renounceable entitlement issue of Loyalty Options to eligible shareholders, as detailed in the Prospectus dated 25 August 2022 and announced to the ASX on the same date.

The Company received valid applications for 17,256,092 Loyalty Options, raising a total of \$17,256.17 (before costs) under the Offer. A total of 1,493,913 Loyalty Options ("**Shortfall Options**") were placed at the discretion of the Board raising a further \$1,493.91 (before costs) following the September quarter.

Cash

The Company's consolidated cash at hand was \$4,026,748 as of 30 September 2022 with no debt. The majority of the expenditure was on Exploration and Evaluation (\$120,677), Staff costs (\$30,436) and Admin and Corporate costs (\$50,407). This information is presented in the Quarterly Cashflow Report ("**Appendix 5B**").

COVID-19 Update

Pure is continuing to review updates in relation to the COVID-19 pandemic and potential impacts on its exploration programs, drill schedules, health and well-being of its employees, contractors and other stakeholders. The Company has operational procedures and guidelines in-line with official health advice including vaccination requirements and government directives, which can be modified in response to changing conditions.

Pure is an active explorer and continues to progress its work programs subject to travel restrictions that may be enforced.

September Quarter ASX Releases

During the quarter, no project-related announcements were made. However, exploration activities were performed on the Yundamindra Project. The results of which were announced after 30 September 2022 and are listed below:

- 17 October 2022 - Widespread Outcropping Surface Nickel - Yundamindra Project
- 20 October 2022 - 1.38% Ni Drill Hit & 1.8km Geochemical Anomaly Identified

Project Generation

Throughout the quarter, the Company received several new project opportunities and only conducted high-level internal assessments. The Company will continue to assess any projects that are complementary to its business.

Key Activities Planned for the December 2022 Quarter

During the December 2022 quarter, the Company plans to:

- Complete aerial gravity and electromagnetic surveys over key target areas, specifically the Killarney Project.
- Community engagement with Traditional Owners, pastoralists and local stakeholders to facilitate Land Access and sustainable exploration.

ASX Additional Information

1. **ASX Listing Rule 5.3.1** – Mining exploration activities and investment activity expenditure during the quarter was \$120,677. Full details of the activity during the quarter are set out in this report.
2. **ASX Listing Rule 5.3.2** – Mining production and development activity expenditure for the quarter was nil and there were no substantive mining exploration activities for the quarter.
3. **ASX Listing Rule 5.3.3** – Tenement Schedule – Refer to Appendix 1 for details of the Company's tenements as of 30 September 2022.
4. **ASX Listing Rule 5.3.4** – The Company provides the proposed vs actual Use of Funds as outlined in Section 3.7 of the Prospectus dated 24 January 2022.

Proposed Use of Funds	Proposed \$	Actual \$	Variance
Exploration of Company Projects	2,550,000	147,677	Timing
New Project Evaluation	400,000	-	Timing
Cash reimbursement to Project Vendors	55,471	55,471	-
Expense of the offer	503,500	545,670	Higher Legal Fees
Administration costs	425,000	149,280	Timing
Working Capital	1,009,880	203,435	Timing
Total	4,943,851	1,101,533	

5. **ASX Listing Rule 5.3.5** – Payments to related parties of the Company during the quarter and outlined in Appendix 5B include \$56,632 for director fees and rental fees paid to Directors and related parties.

- END -

This announcement is approved for release by the Board of Pure Resources Limited.

Mr Patric Glovac
Executive Chairman
Pure Resources Limited

APPENDIX 1: Tenement Schedule (as of 30 June 2022)

Tenement	State	Status	Project	Area (km2)	Holder	Beneficial Interest
E26/227	Western Australia	Granted	Mount Monger Project	10.6	GTT Ventures Pty Ltd	100%
E39/2251	Western Australia	Granted	Yundamindra Project	5.7	GTT Metals Group Pty Ltd	100%
E39/2254	Western Australia	Granted	Yundamindra Project	82	GTT Metals Group Pty Ltd	100%
E53/2023	Western Australia	Granted	Yandal Project	43.3	Salsimroc Mining Pty Ltd	100%
E80/5153	Western Australia	Granted	Killarney Project	32.7	Uramin Pty Ltd	100%

The above interest in tenements are held pursuant to agreements with GTT Ventures Pty Ltd, GTT Metals Group Pty Ltd, Salsimroc Mining Pty Ltd and Uramin Pty Ltd.

Appendix 5B

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

Name of entity

Pure Resources Limited

ABN

19 653 330 413

Quarter ended ("current quarter")

30 September 2022

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	(121)	(121)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(30)	(30)
	(e) administration and corporate costs	(50)	(50)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	4	4
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	(197)	(197)

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	-	-
	(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	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	10	10
3.10	Net cash from / (used in) financing activities	10	10

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	4,214	4,214
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(197)	(197)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	10	10

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

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	4,027	4,027

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	4,027	4,214
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)	4,027	4,214

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	(57)
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>		

7.	Financing facilities <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>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	N/A		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(197)
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)	(197)
8.4	Cash and cash equivalents at quarter end (item 4.6)	4,027
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	4,027
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	20.40
<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	
<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:27 October 2022.....

Authorised by: The Board of Directors, Pure Resources Limited
(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.

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