ERRAWARRA Resources
ABN 95 155 472 834

ASX ANNOUNCEMENT

28 April 2023

QUARTERLY ACTIVITIES REPORT 2022/2023

FAST FACTS

ASX Code: ERW

BOARD OF DIRECTORS

Executive Chairman

Thomas Reddicliffe

(appointed as Executive Chairman on 8 December 2022)

Non-Executive Directors

Jo Battershill

George Ventouras

(appointed as Non-Executive Director on 8 December 2022)

KEY PROJECTS

Andover West (Nickel)

Errabiddy (Gold, Nickel-Copper, REE & Graphite)

Fraser Range (Nickel-Copper-PGE)

Binti Binti (Gold)

ABOUT ERRAWARRA RESOURCES (EST. 2012)

Errawarra Resources Ltd is an exploration company with a focus on gold and nickel-copper in Western Australia.

During the 3rd Quarter (January – March 2023):

- **Andover West (Nickel-Copper)** – The maiden drill program to test three priority Nickel targets was completed during the quarter and comprised three holes for 489.7m. Assays confirmed a copper/nickel sulphide mineral system associated with two of the closely associated conductor targets. DHEM surveys conducted on the two prospective drill holes refined the original conductor plates that were targeted as well as identifying additional conductor plates. Assay results are pending for samples taken from pegmatite intersected in these same two drill holes.

- **Errabiddy (Gold & Nickel-Copper)** – The Company completed a review of the prospectivity of the Errabiddy project for graphite including field reconnaissance.

- **Other Projects** – The Fraser Range (nickel) and Binti Binti (gold) Projects are under review with the Company assessing opportunities for divestment or joint venture of these projects.

Goals for the 3rd Quarter (January – March 2023):

- **Andover West (Nickel-Copper)** – A review of VTEM and FLEM survey data aimed at identifying additional conductor targets will be completed. New targets will potentially be the subject of a follow-up drill program. In addition to this, the Company will be continuing its investigation into the potential occurrence of lithium bearing pegmatites within the project area.

- **Errabiddy (Gold & Nickel-Copper)** – Further investigative work is scheduled to identify and refine target areas for on ground exploration for graphite, REE's and Nickel.

- **Other Projects** – The company will continue to assess opportunities for divestment or joint venture of the Fraser Range (nickel) and Binti Binti (gold) Projects.

- **Project Generation** – The Company continues to seek out and examine further exploration opportunities in favourable jurisdictions which could complement its focus on the green technology metals nickel and copper, with a preference for advanced projects with high value potential.

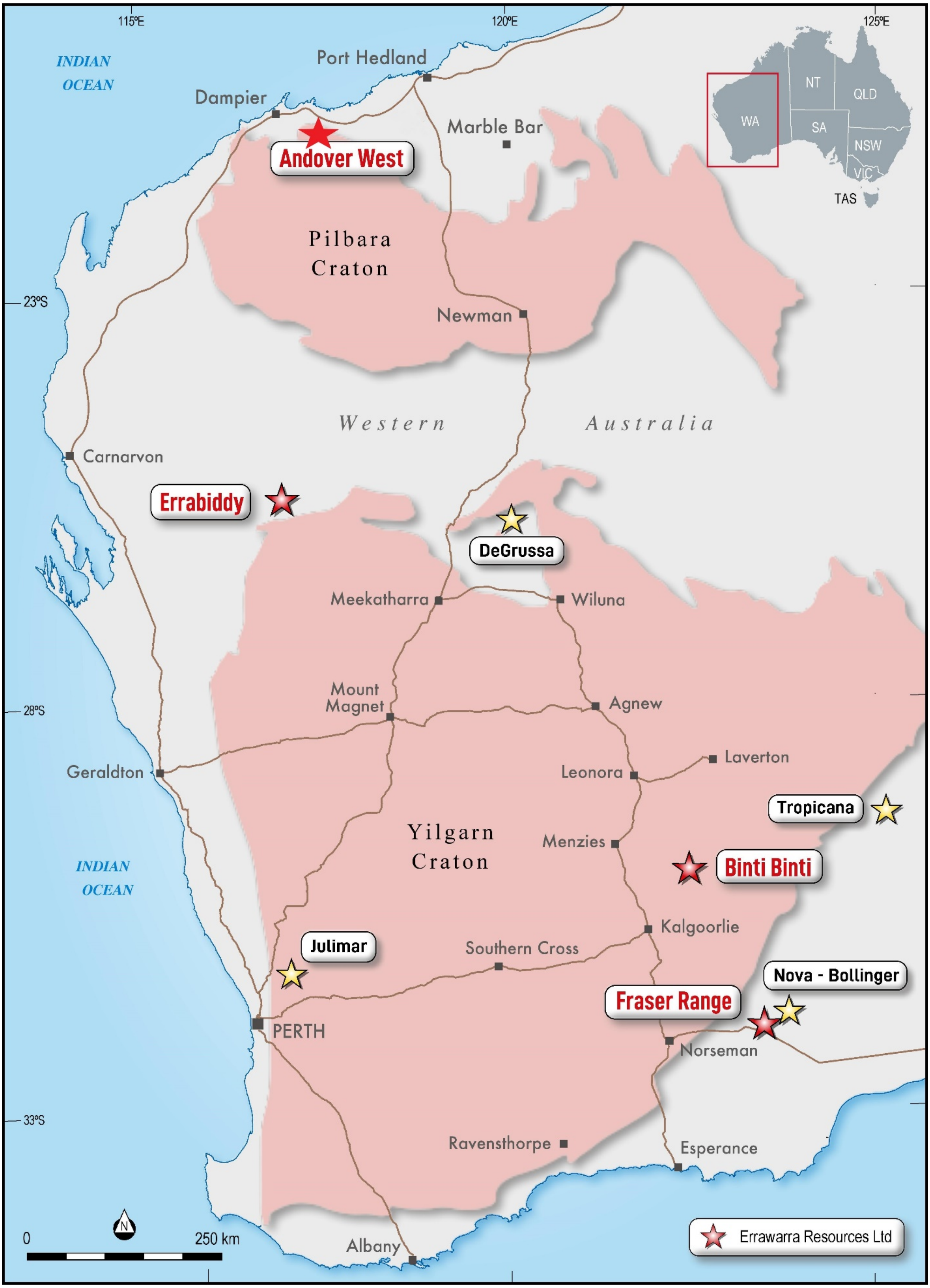

Figure 1: Location of Projects

EXPLORATION

Andover West (Nickel-Copper)

The Andover West Project is located 30km south-east of Karratha and is targeting mafic intrusions potentially hosting nickel-copper sulphide mineralisation. The highest priority conductor target identified from FLEM (fixed loop electromagnetic) surveys is only 2.8km from Azure's Andover Ni-Cu discovery where Azure Minerals announced a maiden resource of 4.6Mt @ 1.11%Ni, 0.47% Cu and 0.05% Co (ASX Announcement Azure 30 March 2022) and only ~1.5km from Azure's Ridgeline prospect which recently reported highest grade nickel intercepts of 18.2m @ 1.93% Ni (ASX Announcement Azure 23 November 2022) and a maiden resource of 1.3Mt @ 1.11% Ni, 0.46% Cu and 0.05% Co (ASX Announcement 8 February 2023).

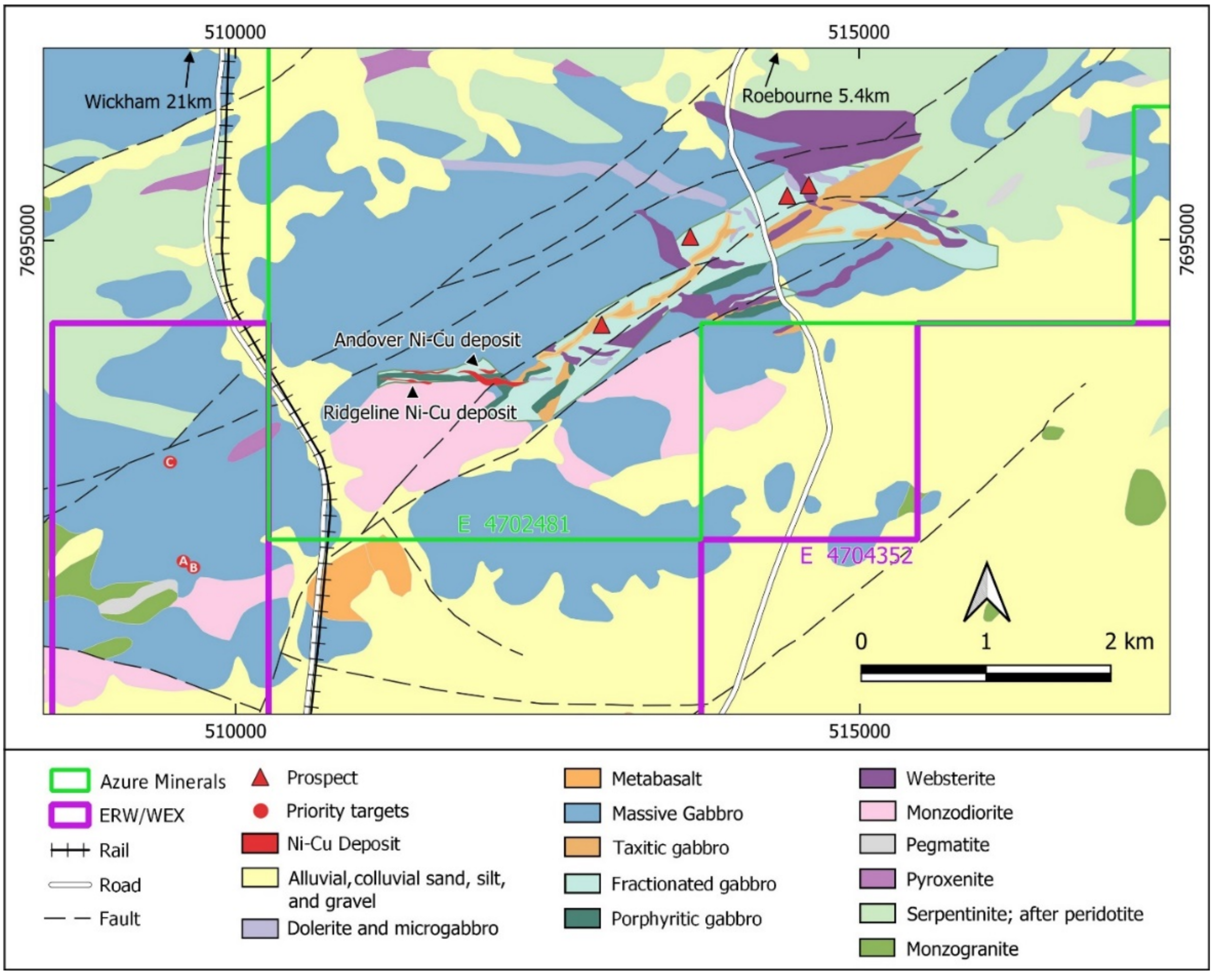

Figure 2: Location of Andover West Targets (Detailed geology after Azure Minerals)

Conductor Targets

Following completion of Heritage surveys and the preparation of access tracks and drill pads with cooperation from the Ngarluma Aboriginal Corporation, the Company was able to get its maiden drilling program underway in February 2023. The initial drill program comprised the diamond core drilling of three discrete conductor plate targets and was followed by downhole electromagnetic (DHEM) surveys on two of the holes (Targets A and B). A total three holes were drilled for 489.7m.

Drilling successfully intersected all conductor plates that were identified and modelled from the detailed FLEM (fixed loop electromagnetic) surveys. Assays confirmed a fertile copper-nickel sulphide system associated with targets A and B. Follow up down hole EM (DHEM) surveys were done at targets A and B which resulted in further refining of the conductor plates and also in the identification of additional related conductor plates. A review of the FLEM and VTEM survey data is underway with a view to identifying other less prominent conductor targets in the immediate area which can be drill tested in a follow-up drill program.

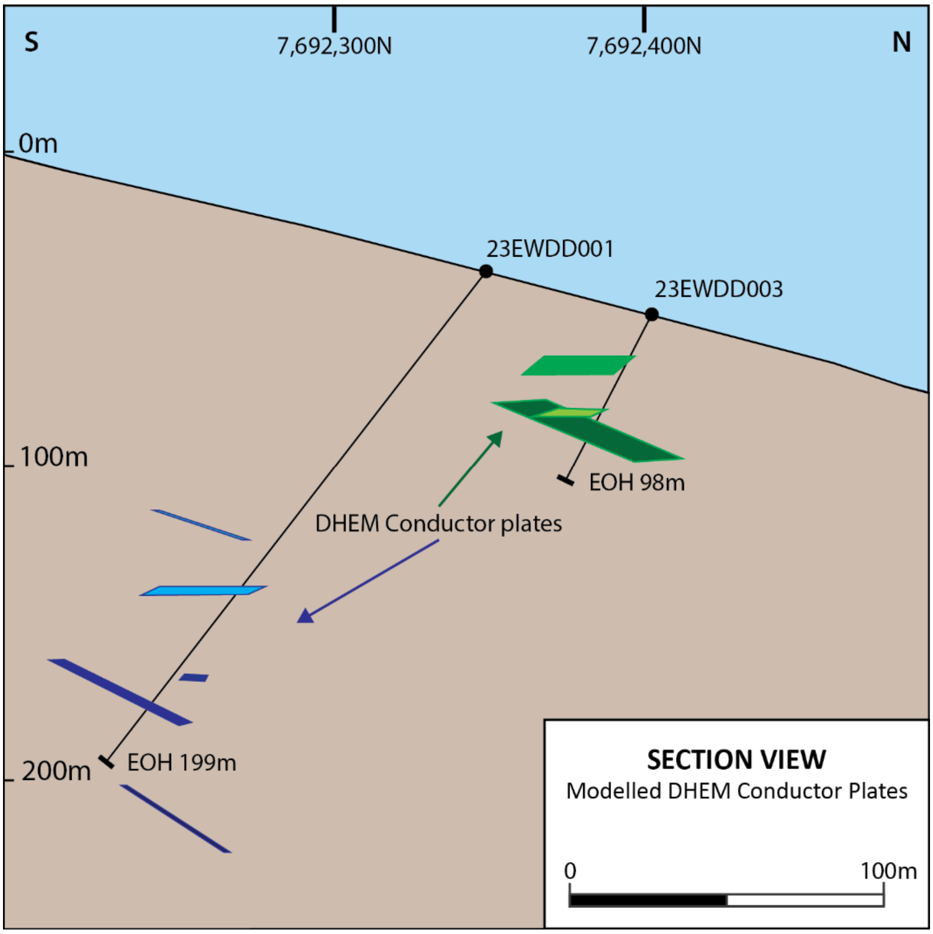

Figure 3: Drill Holes showing Modelled DHEM Conductor Plates

The assay results from 73 core samples confirm that the Andover West mafic intrusion is a fertile copper-nickel sulphide mineral system and with similar results reporting to both holes. It is considered that the mineralised intercepts in both holes are part of the same mineralising event and point to a broader overall mineralised zone rather than two separate and discrete events. These mineralised drill intercepts are some 150m apart.

Although the assays were of an overall low tenor, there are copper intercepts recording multiple intersections of greater than 0.1% (1,000ppm) Cu and as high as 0.35% (3,500ppm) Cu and with an intersection in hole 23EWDD001 reporting 10m @ 0.15% Cu from 141.4m. Nickel assays reported multiple intercepts in the 500 - 1,000ppm range in both drillholes with all associated with the copper mineralised intervals. In hole 23EWDD003 (Target A) the assay results reveal that the copper-nickel sulphide mineralisation is in two zones, an upper mineralised zone of 9.5m from31.5m and a lower mineralised zone of 12.45m from 54.85m. In hole 23EWDD001(Target B) there are 5 separate mineralised down hole intercepts ranging from 3m to 10.8m in length.

Pegmatite Dykes

Although the previous sampling of pegmatite outcrop in the target areas by Errawarra did not result in any notable results, seven samples in hole 23EWDD003 reported lithium in the 100-160 ppm range which is well above the background of 15 ppm. A number of pegmatites were intersected in both drill holes but were particularly prevalent in hole 23EWDD001. Overall, the pegmatite units were generally coarse-grained containing quartz, muscovite and occasionally other minerals including biotite. The sampling and assaying of these pegmatites are underway and results will be reported when they come to hand.

Errabiddy (Gold, Nickel-Copper, REE & Graphite)

The Errabiddy Project is located within the Gascoyne Province, which forms part of the Proterozoic Capricorn Orogen, a collisional belt between the Archaean Pilbara and Yilgarn Cratons in Western Australia. The moderately north dipping, imbricate Errabiddy Shear Zone is more than 200km long and up to 20km wide and marks the suture between the Pilbara Craton-Glenburgh Terrane with the Yilgarn Craton during the 2000-1960Ma Glenburgh Orogeny. Whilst the Errabiddy Shear Zone is the principal suture zone between the Glenburgh Terrane and the Yilgarn Craton, the Cardilya Fault is the main crustal structure that separates the two.

The project covers an area of 1,066km^2 and comprises eight granted tenements four of which are contiguous.

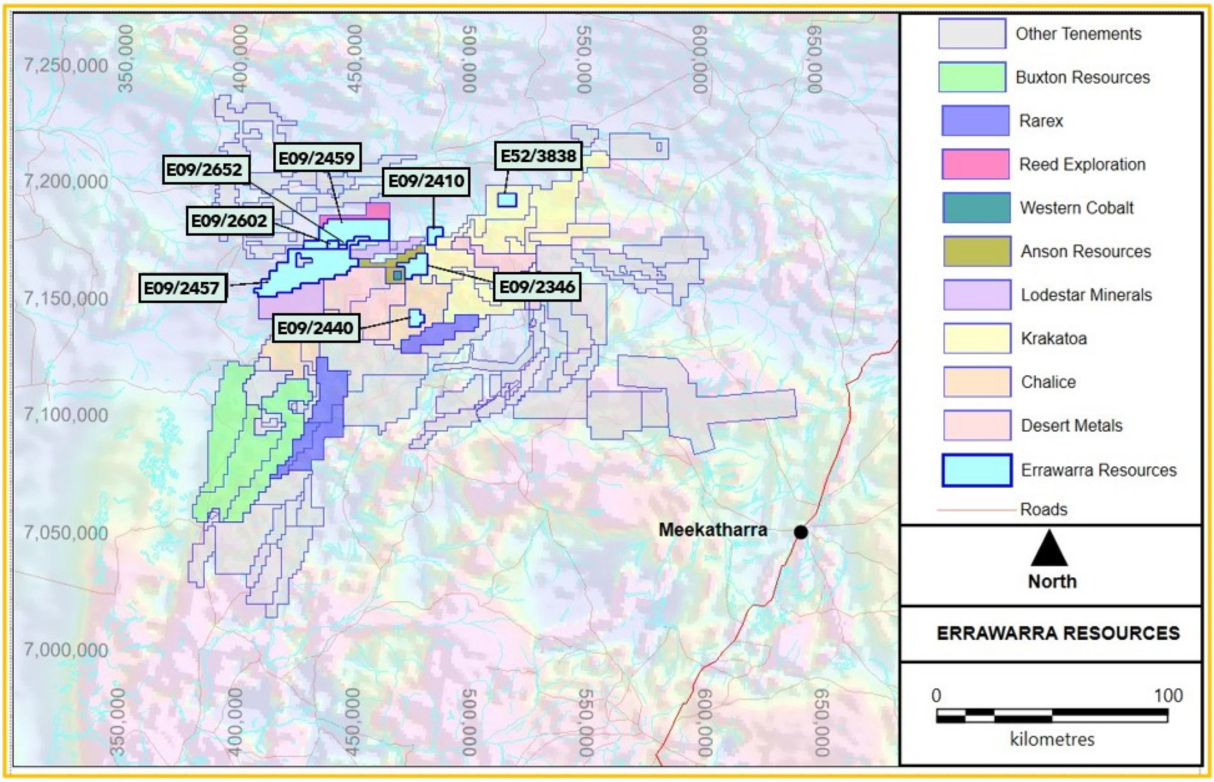

Figure 4: Errabiddy Project, Regional Landholders Map

Although the area is competitive for nickel and gold exploration more recently there is an emerging focus on REE exploration with significant exploration results reported by both Desert Metals and Krakatoa Resources both of which are in proximity to the Errabiddy Project. Recent discovery of REE's in the vicinity of the Errabiddy Project tenements by Desert Metals Ltd (ASX Announcement 23 May 2022) and Krakatoa Resources Ltd (ASX Announcement 24 November 2021, together with an independent review commissioned by Errawarra, proved that REE potential exists on the tenement package. The report highlighted potential exploration target areas across the range of tenements but highlighted by E09/2459 where the review has identified multiple priority target areas. These target areas were based on the interpretation of spectral signatures and other factors following a review of remote sensing hyperspectral datasets. In addition, a review of the GSWA soil sampling dataset reveals several anomalous TREO samples within the project tenements. The significance of these soil sample results is not known at this stage but warrants follow-up to determine the source of the anomalous REE results.

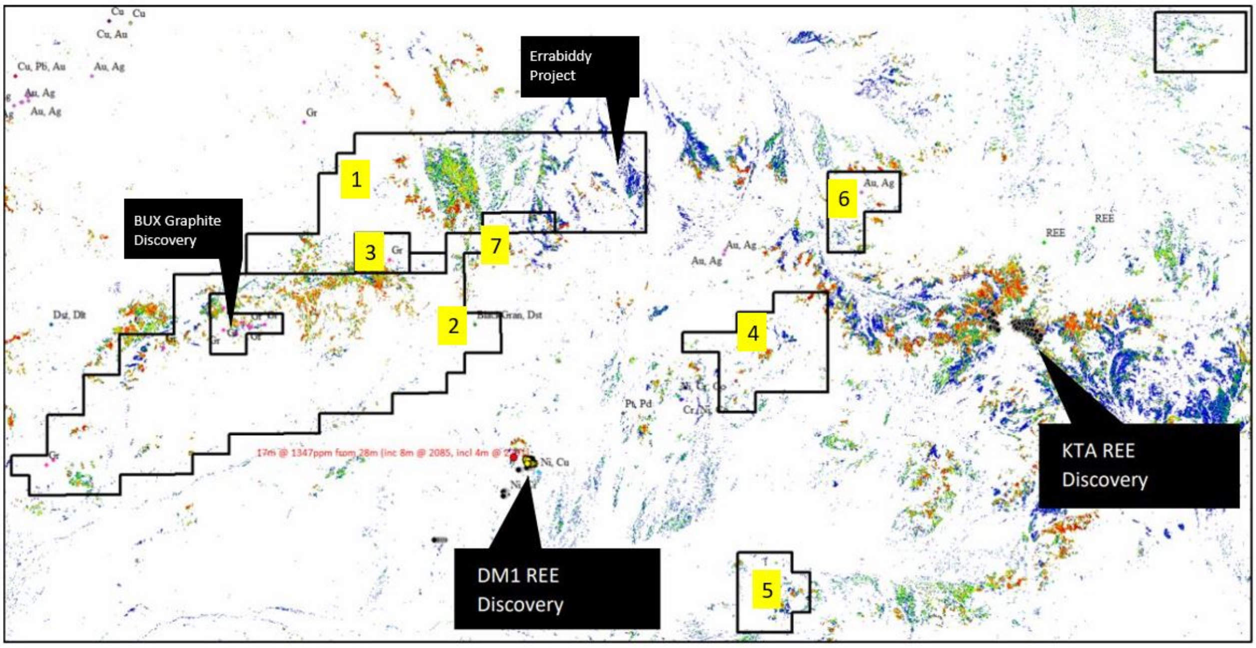

Figure 5: Weighted spectral map with Errabiddy tenements and priority targets in yellow.

Subsequent to the above, Buxton Resources Ltd recently announced the discovery of further significant graphite results from its Graphite Bull project (ASX Announcement 23 March 2023) which adds to its previously reported MRE of 4Mt @ 16.2% TGC (ASX Announcement 24 October 2014).

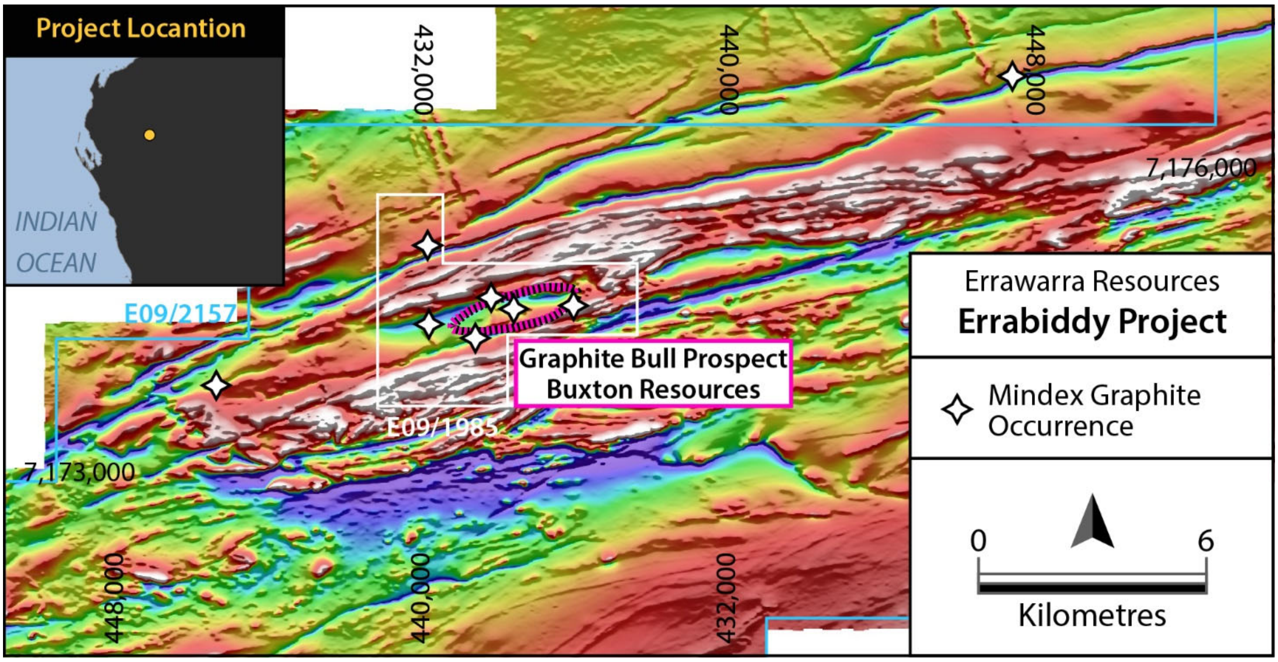

Figure 6: Graphite Occurrences over RTP Magnetic Image. (Geological Survey of WA)

Errawarra commissioned consulting geologists to review the potential for graphite within E09/2547, resulting in the identification of graphite occurrences within the tenement and in proximity to Graphite Bull. Field reconnaissance has confirmed the presence of graphitic schists less than 6km from Graphite Bull within the company's 520km^2 Errabiddy tenement.

Fraser Range (Nickel-Copper-Cobalt)

The Fraser Range Project is located approximately 130km east of Norseman, Western Australia and covers an area of approximately 105km² within the Dundas and Warburton Mineral Fields. The project is located within the Shire of Dundas and comprises the two tenements E63/1941 and E63/1771.

At the Fraser Range Project priority areas were identified for testing based on gravity anomalies, magnetic anomalies, geochemical anomalies, and favourable geological units for hosting sulphide mineralisation. Surface EM surveying was completed aimed at identifying bedrock conductors that may be related to nickel-copper-cobalt sulphide mineralisation. The MLEM (moving loop electromagnetic) component of the EM surveying was completed by early August 2021. No strong anomalous responses considered consistent with a massive sulphide (Nova-style) source were observed in the initial MLEM surveys, although several weak anomalous responses were noted at early to mid-delay times.

No further work was conducted during the quarter and the Company will assess opportunities for divestment or joint venture of this project.

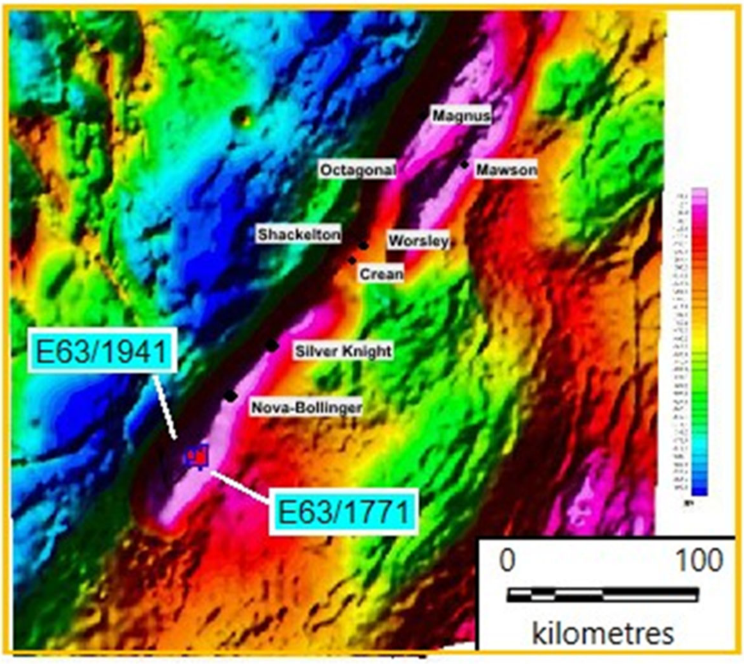

Figure 7: Location of Project Tenements over TMI Image

Binti Binti (Gold)

The Binti Binti Project is located approximately 75km north-northeast of Kalgoorlie, Western Australia and covers an area of approximately 116km² within the Kanowna Mineral Field. The project is located within the Shire of Menzies and City of Kalgoorlie-Boulder and comprises the three tenements E27/603, E27/577 and application E31/1298. The Binti Binti Project is considered prospective for both orogenic gold and komatiitic nickel-cobalt mineralisation. The gold prospectivity is considered high given the proximity to the historical Gindalbie/Binti Binti Goldfield and associated workings which are developed on steeply west dipping quartz veins within an interpreted north-northwest trending shear zone.

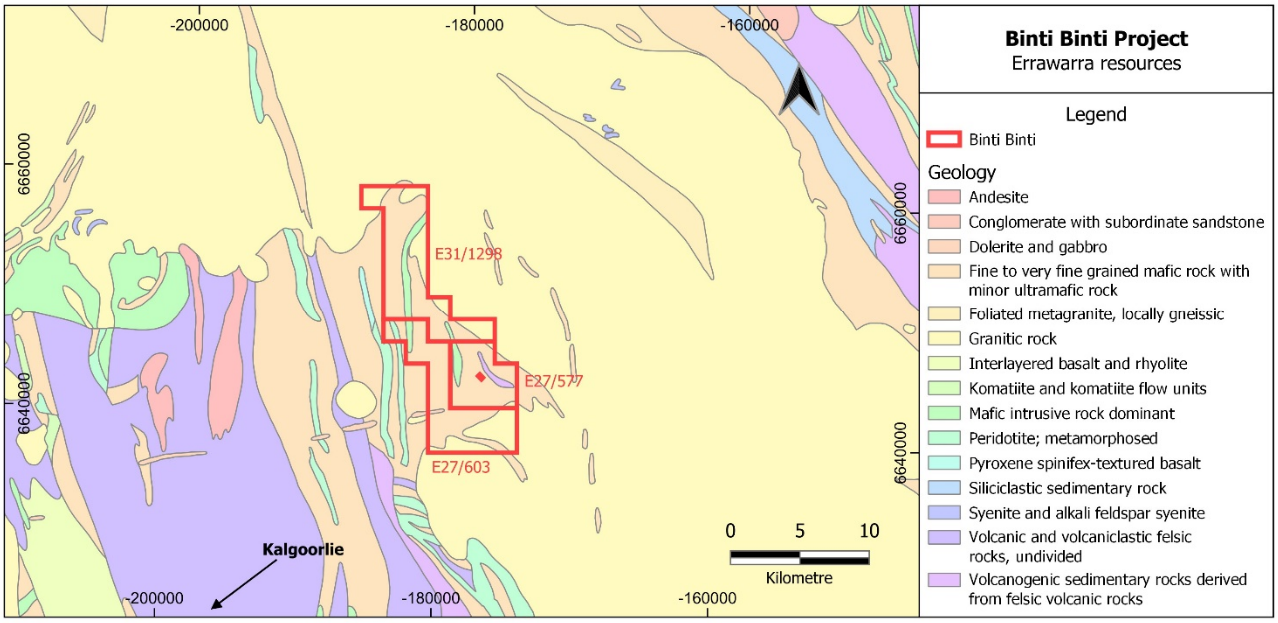

Figure 8: Binti Binti Regional Map

Errawarra has previously completed drilling programs on tenements E27/603 and the adjacent Gindalbie tenement (E27/577). The two aircore drill programs consisted of 261 holes for a total of 10,027m. Gold-bearing structures identified throughout the southern and western parts of the project hosting historic gold workings were mostly untested by drilling.

Gold grades of more than 5 g/t Au were reported in two holes which were drilled location beneath a shallow prospector's pit, where previous grab sampling had returned significant gold results (227.2 and 1.2 g/t Au in two separate samples). The high-grade results were encountered in what appear to be steeply dipping quartz veins and potentially remains open at depth and along strike. The drill intersections were:

- EBBAC219: 8 m @ 2.76 g/t Au from 26m, including 4 m @ 5.09 g/t Au.
- EBBAC218: 1 m @ 6.61 g/t Au from 15m.

The Binti Binti project remains under review with the Company assessing opportunities for divestment or joint venture.

Project Generation

The Company continues to seek out and examine further exploration opportunities in favourable jurisdictions which could complement its existing focus on gold and the green technology metals nickel and copper, with a preference for advanced projects with high value potential.

GOVERNANCE

ASX Announcements

Date	Announcement Title
24/01/2023	Change to Exec Chair Remuneration and Address
24/01/2023	Andover West Nickel Drilling Set to Commence
31/01/2023	Quarterly Activities and Cash Flow Reports
8/02/2023	Maiden Drill Program Commences at Andover West
2/03/2023	Copper Sulphide Mineralised Zones Identified
7/03/2023	Half Year Financial Report
22/03/2023	Copper-Nickel Mineral System Confirmed
29/03/2023	Release of Escrow
12/04/2023	Graphite Outcrops Discovered at Errabiddy
24/01/2023	Change to Exec Chair Remuneration and Address

CORPORATE AND FINANCE

Issue capital

The capital structure of the Company as of 31 March 2023 was:

Capital Structure	
Ordinary fully paid shares	60,504,002
Unlisted options exercisable at $0.30 on or before 26 November 2024	1,800,000
Unlisted options exercisable at $0.30 on or before 3 December 2024	1,800,000
Unlisted Options exercisable at $0.30 on or before 21 April 2025	7,500,000
Unlisted Options exercisable at $0.25 on or before 29 June 2025	1,500,000
Unlisted Options exercisable at $0.25 on or before 25 September 2025	1,500,000
Unlisted Options exercisable at $0.25 on or before 30 November 2025	1,500,000
Unlisted Options exercisable at $0.40 on or before 21 April 2026	2,000,000
Performance Rights Class B on or before 21 April 2027	5,000,000

Finance

The Company had $1.51 million cash on hand as of 31 March 2023.

Related Party payments for the quarter outlined in Appendix 5B at section 6.1 and 6.2 total $148,000 and include amounts paid to directors for salary, directors' fees and statutory superannuation.

This ASX announcement has been authorised for release by Thomas Reddicliffe, Executive Chairman.

For further information, please contact:
Thomas Reddicliffe
Executive Chairman
E: info@errawarra.com
T: +61 8 9322 3383

TENEMENT SCHEDULE

Current[1]

Tenement number	Interest Start	Interest End	Note
Location: Errabiddy, Australia			
E09/2346	80%	80%	2
E09/2410	100%	100%	
E09/2440	100%	100%	
E09/2457	100%	100%	
E09/2459	100%	100%	
E52/3838	100%	100%	
E09/2652	100%	100%	
E09/2602	100%	100%	

Tenement number	Interest Start	Interest End	Note
Location: Fraser Range, Australia			
E63/1771	70%	70%	4
E63/1941	70%	70%	4
Location: Binti Binti, Australia			
E27/0577	80%	80%	2
E27/0603	0%	0%	3
E31/1298	100%	100%	
Location: Andover West, Australia			
E47/4352			5

Note:

1 Errawarra Pty Ltd (**ERR**) is a wholly owned subsidiary of Errawarra Resources Ltd. ERR is the registered holder of all the tenements.
2 ERR holds 80% of all minerals rights, title and interests.
3 ERR has the exclusive rights to earn up to an 80% interest subject to meeting the conditions set out in the agreement.
4 ERR holds 70% of all minerals rights, title and interests.
5 Western Exploration Pty Ltd (WEX), 80% interest owned subsidiary of Errawarra Resources Ltd, is the registered holder of the tenement under application. Fe rights are excluded from the Andover West project.

Application

Nil.

Relinquished or Lapsed

Nil.

COMPETENT PERSONS

The information in this document that relates to exploration results at the Andover West, Fraser Range and Binti Binti is based on information compiled by Adrian Black, a Competent Person who is a Member of the AIG (1364). Mr Black is a consultant to Errawarra Resources Ltd and its subsidiary companies and has sufficient experience, which is relevant to the style of mineralisation and types of deposits under consideration and to the activity which has been undertaken to qualify as a Competent Person as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code).

Information on recent exploration results for all Errawarra's projects, including JORC Table 1 and 2 information is included in the relevant ASX announcements as shown below.

- Announcement 8 April 2023 – Graphite Outcrops discovered at Errabiddy
- Announcement 22 March 2023 – Copper-Nickel Mineral System Confirmed
- Announcement 2 March 2023 – Copper Sulphide Mineralised Zones Identified

Appendix 5B

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

Name of entity

ERRAWARRA RESOURCES LTD

ABN	**Quarter ended ("current quarter")**
95 155 472 834	31 March 2023

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (9 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(562)	(891)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(100)	(140)
	(e) administration and corporate costs	(153)	(782)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	5	12
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes received/(paid)	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**(810)**	**(1,801)**

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 (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) / from 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
3.4	Transaction costs related to issues of equities, 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)	-	-
3.10	**Net cash from / (used in) financing activities**	**-**	**3**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	2,311	3,299
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(810)	(1,801)
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)	-	3

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	**Cash and cash equivalents at end of period**	**1,501**	**1,501**

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	1,501	2,311
5.2	Call deposits	10	10
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)**	**1,511**	**2,321**

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	148
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 Director fees, statutory superannuation and reimbursements.

Legal and business development consultation fees.

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	-	-
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.

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(810)
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)	(810)
8.4	Cash and cash equivalents at quarter end (item 4.6)	1,501
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	1,501
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	**1.85**

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: No. The company completed its maiden drilling program at its Andover West project during the March quarter, which was a significant driver of cash outflows. During the coming quarters, the Company will continue to assess the results of the drill program as well as other data sets prior to commencing follow-up drill programs.

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: The company is currently formulating its forward exploration programs which includes associated cash requirements. When this is completed, the Company will assess the need to raise capital to fully fund forward proposed programs.
	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: Yes. The company has a demonstrated track record of raising equity funding as and when required.
	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: 28 April 2023

Authorised by: Thomas Reddicliffe, Executive Chairman

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.