

Quarterly Activity Report Period ending 31st December 2022

ASX Announcement 24 January 2023

Catalina Resources is an Australian diversified mineral exploration and mine development company.

Directors
**Executive Chairman and
Company Secretary**
Sanjay Loyalka

**Technical Director and
Chief Geologist**
Michael Busbridge

Non-Executive Director
Richard Beazley

ASX Code
CTN

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Highlights

❖ Dundas Project

- Reconnaissance mapping identified pegmatite drill chips from the spoil of historical drilling to validate the drill logs.
- Cultural heritage survey completed within southern part of E63/2046 in October 2022 and E63/2048 in November 2022
- POW approval received for
 - RAB drilling in the southern portion of the tenement E63/2046
 - Auger Geochemical sampling in E63/2048
- Air core drilling completed for 105 holes in E63/2046
- Pegmatite intersected in 24 holes.
- Accessory minerals identified include beryl and tourmaline.
- Drill hole 22DAC016 intersected a blue green mineral interpreted to be aqua marine, a gem variety of beryl, pending confirmation by assays. It was intersected over a 5m wide interval in the southern portion of the tenement E63/2046

❖ Laverton Project

- Seven tenement applications over 6,600 ha in the highly endowed Laverton District
- Compelling under-cover gold and nickel targets identified.
- ELA E38/3697 is located only 2 kms to the north of Lynas Rare Earth Ltd.'s (ASX: LYC) Mt Weld Carbonatite REE complex.

❖ Nelson Bay River Iron Project

- Submission to Department of Climate Change, Energy, the Environment and Water ("DCCEE")

❖ Lachlan Fold Belt Project

- Progressing activities agreed with the Resources Regulator, NSW to enable consideration of revoking of suspension at EL9155, Rock Lodge
- Pursuing Landholder Access agreement at EL9346, Oak Hill

Dundas Project

Mapping by Catalina Resources Ltd (“Catalina” or the “Company”) in October identified historical aircore drilling spoils from 10 holes from the Pan Aust Exploration drilling program in 1998. Despite the sample piles being eroded and covered by heavy vegetation regrowth, sample chips were readily identified and collected for sampling. Mapping identified 3 holes containing pegmatite chips (Figure 1).



Figure 1. Pegmatite chips from old drill spoil at the Dundas Project.



Figure 2. White colored drill spoil from a historical drill hole.

A cultural heritage survey was conducted by members of the Ngadju Native Title Aboriginal Corporation (“NNTAC”) over Catalina’s exploration tenements in October as planned in southern part of E63/2046 and in November over E63/2048.



Figure 3. Members of the Ngadju Native Title Aboriginal Corporation (NNTAC) on site at Dundas Project in October 2022

POW approval received in October 2022 (Figure 4) for:

- RAB drilling planned to test the identified lithium pegmatite potential and gold anomalies, in the southern portion of the tenement E63/2046 as per the approved Conservation Management Plan (“CMP”).
- In-fill of the historical 1 km spaced auger soil sample traverses in E63/2048 with a powered auger to define and prioritise targets for RAB and RC drilling.

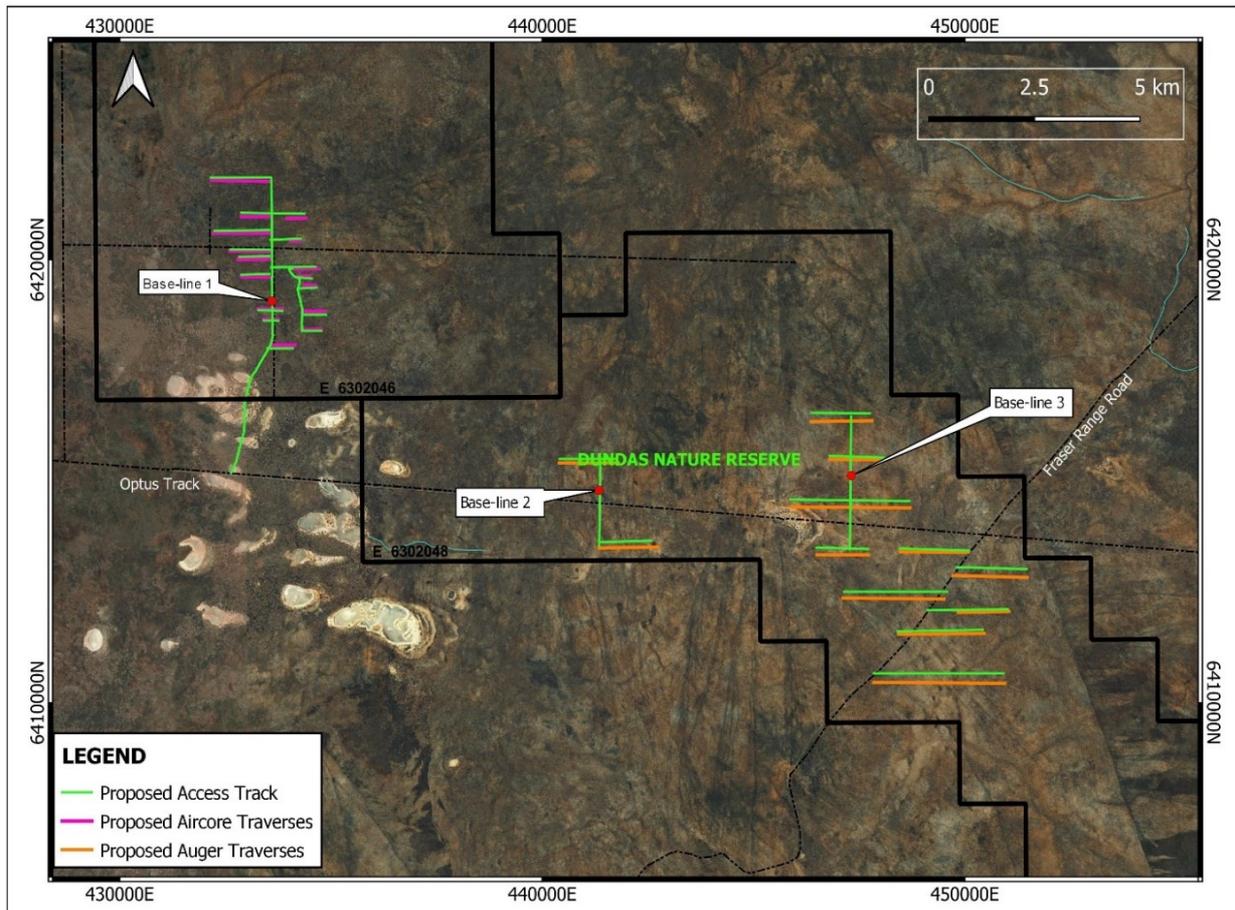


Figure 4. POW approval for planned areas of exploration in FY2022-23

Air core drilling was completed during the quarter for 105 holes in southern portion of E63/2046, Figure 5. Pegmatites were intersected in 24 aircore holes. Multi element assays (including Be, Li, Ta, Cs, REEs) are expected to be received in the coming weeks. During geological logging of air core holes, several pegmatite intervals were recorded as containing accessory minerals including beryl and tourmaline. Drill hole 22DAC016 intersected a blue green mineral interpreted to be aqua marine, a gem variety of beryl, pending confirmation by assays. It was intersected over a 5m wide interval in the southern portion of the tenement E63/2046, Figure 6.



Figure 5. Air core drilling summary, location of hole 22DAC016 for southern portion of the tenement E63/2046. Underlying image is the regional aeromagnetic image.



Figure 6. Chip tray showing the final 5m (30-35m) of hole 22DAC016. Downhole meterage is shown. The distinctive blue-green aqua marine is illustrated amongst the pegmatite chips.

Laverton Project

As part of the Company's business development activity pursuing the strategy of building a portfolio of quality assets and advancing them using modern exploration techniques, the Company has been able to secure highly prospective tenements within the Laverton province.

This province is known to contain some 30 million ounces of gold, making it the second highest endowed gold district in Western Australia behind Kalgoorlie. The Laverton gold district is also the highest growth gold district in Australia over the last 25 years. The region hosts several important gold and nickel deposits including Sunrise Dam (>10Moz), Wallaby (> 8Moz), Granny Smith (>2Moz, closed) and Lancefield (>2Moz, closed), Windara Nickel (combined 85K tonnes nickel sulphide). Lynas Rare Earth Ltd also operates the world class Mt Weld Rare Earth Element (REE) operation only 2 kms to the south of Company's E38/3697 application.

The Laverton Project consists of seven tenements., illustrated in Figure 7. The company has identified a series of very prospective under-cover gold and nickel mineralisation drill targets within the tenements. The targets have been generated through an integrated approach using detailed interpretation of aeromagnetic and gravity images, historical exploration drilling programs and the mineralisation models developed from the neighbouring world class gold deposits.

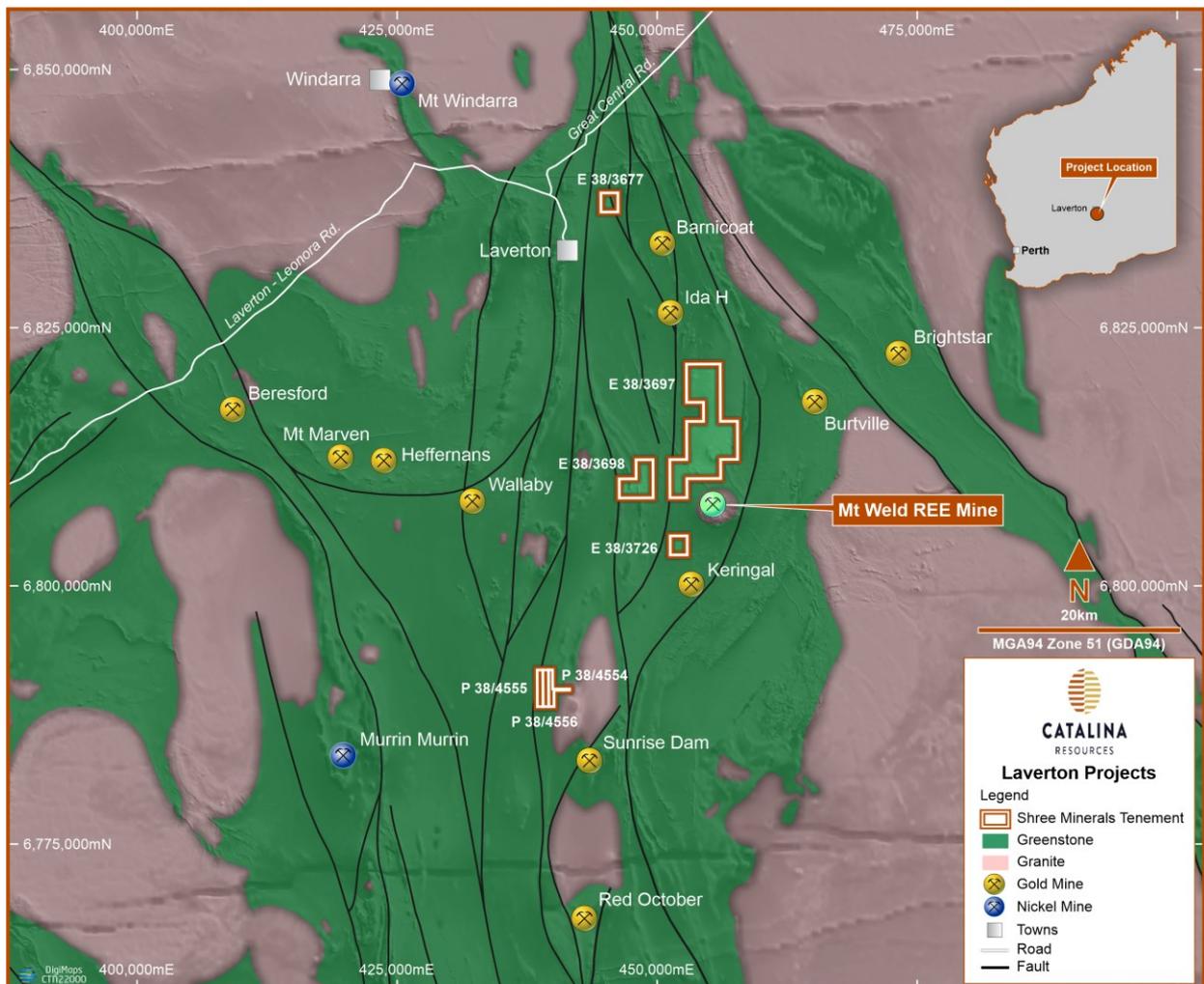


Figure 7. Regional location diagram of the seven tenement applications in the Laverton Goldfield

During the quarter, the Company advanced negotiations for various access agreements with neighbouring companies. Granting of the tenements is expected over the coming months.

Nelson Bay River Iron Project

In October 2022, the Company received correspondence from Department of Climate Change, Energy, the Environment and Water (“DCCEEW” and or “The Department”) in response to our correspondence dated 13 April 2022. EPA Tasmania previously advised on 25th March 2022 to refer the current development proposal for the Direct Shipping Ore (“DSO”) project at Nelson Bay River Iron Project (“NBR”) to the Commonwealth Government’s Department for determination under the EPBC Act, particularly in relation to the Giant Freshwater Crayfish (A. Gouldi).

The Department has advised that it has reviewed the Development Proposal and Environmental Management Plan (“Proposal”) dated August 2021 submitted by Shree (now Catalina) to the EPA. After careful consideration, the Department has determined that the changes in the Proposal are not consistent with the EPBC approval previously granted in 2013. The Department considers that the changes are not within the scope of EPBC Act Approval 2011/5846 and holds the view that the proposed varied action should be referred for assessment under the EPBC Act.

While expressing regret at the extended delay in responding to the Company’s correspondence, the Department advised that the matter is complex and required careful evaluation to ensure this advice is legally and technically robust.

The Company has in November 2022 made a submission to DCCEEW to reconsider their advice. While the Company is deeply disappointed with the inordinate delays and ever changing and new requirements in the permitting process, it continues to follow up with the Government authorities.

Lachlan Fold Belt Project

The Company has been pursuing landholder access agreements at Oak Hill (EL 9346). Upon gaining access, exploration will include in-fill auger soil sampling to refine drilling targets.

During the quarter, focus has been on progressing activities agreed with the Resources Regulator to enable consideration for revoking the suspension at Rock Lodge EL9155 which include:

- Independent review of systems and processes for meeting compliance obligations.
- Independent ecological review and assessment of the vegetation community within the project area.
- Corrective actions and rehabilitation requirements resulting from works undertaken.
- Apply for and grant of Aboriginal Heritage Impact Permit.

The Company has also been negotiating with the Regulator for conclusion of the investigations and actions in connection with the matter.

After the suspension is revoked, the Company plans to drill two or three deeper diamond drill holes. Down Hole Electro Magnetic Surveys (DHEM) will also be employed, searching for off-hole conductors, that may represent wider massive sulphide mineralisation than what has already been found. Additionally, diamond drilling will enable the collection of orientated structural data, including dips and strikes of mineralised veins, necessary for future drill hole planning and calculations of the true widths of mineralisation.

Tenements

The mining tenements held at the end of quarter and their location.

<u>Mine Lease/ Exploration License</u>		<u>Locality</u>	<u>Remarks</u>
3M/2011	ML	Nelson Bay River	100% Catalina Resources Ltd
E40/378	EL	Golden Chimney	100% Catalina Resources Ltd
E40/384	EL	Ulysses South	100% Catalina Resources Ltd
E63/2046	EL	Dundas	100% Catalina Resources Ltd
E63/2048	EL	Dundas	100% Catalina Resources Ltd
E63/2136	ELA	Dundas	100% Catalina Resources Ltd
E63/2227	ELA	Dundas	100% Catalina Resources Ltd
EL9155	EL	Rock Lodge	100% Catalina Resources Ltd
EL9346	EL	Oak Hill	100% Catalina Resources Ltd
E38/3677	ELA	Laverton	100% Catalina Resources Ltd
E38/3697	ELA	Laverton	100% Catalina Resources Ltd
E38/3698	ELA	Laverton	100% Catalina Resources Ltd
E38/3726	ELA	Laverton	100% Catalina Resources Ltd
P38/4554	ELA	Laverton	100% Catalina Resources Ltd
P38/4555	ELA	Laverton	100% Catalina Resources Ltd
P38/4556	ELA	Laverton	100% Catalina Resources Ltd
E38/3771	ELA	Laverton	100% Catalina Resources Ltd
E38/3772	ELA	Laverton	100% Catalina Resources Ltd
E63/2269	ELA	Dundas	100% Catalina Resources Ltd
E63/2270	ELA	Dundas	100% Catalina Resources Ltd

ELA: Licence Application

- **The mining tenement interests relinquished during the quarter and their location.**
 - EL 9017 Turondale, Lachlan Fold, NSW
 - EL 9310 Prince of Wales, Lachlan Fold, NSW
 - ELA 38/3727, Laverton, WA
- **The mining tenements interests acquired and disposed of during the quarter and their location.**
 - NIL
- **The beneficial percentage interests held in farm-in or farm-out agreements at the end of the quarter.**
 - NIL
- **The beneficial percentage interests in farm-in or farm-out agreements acquired or disposed of during the quarter.**
 - NIL.

Corporate

During the Quarter, a total sum of \$ 89 thousand was paid to related parties and their associates. The Company advises that this relates to executive directors' salaries, non-executive director's fees and superannuation.

Exploration and Evaluation Expenditure during the Quarter was \$268 thousand. Details of exploration activity as included in this Quarterly Activities Report.

Mining Development activities during the Quarter was \$22 thousand as per details of permitting efforts for NBR project as included in this Quarterly Activities Report. There were no substantial mining production activities during the Quarter.

Competent Person Statement

The review of historical exploration activities and results contained in this report is based on information compiled by Michael Busbridge, a Member of the Australian Institute of Geoscientists and a Member of the Society of Economic Geologists. He is a consultant to Catalina Resources Ltd and has joined the Board of Catalina Resources Ltd effective 19 January 2023. He has sufficient experience which is relevant to the style of mineralisation and types of deposits under consideration and to the activity 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, Mineral Resources and Ore Reserves (the JORC Code).

Michael Busbridge has consented to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The Company confirms that it is not aware of any new information or data that materially affects the information in the original reports, and that the form and context in which the Competent Person's findings are presented have not been materially modified from the original reports.

Where the Company refers to the Mineral Resources in this report (referencing previous releases made to the ASX), it confirms that it is not aware of any new information or data that materially affects the information included in that announcement and all material assumptions and technical parameters underpinning the Mineral Resource estimate with that announcement continue to apply and have not materially changed.

Forward looking statements

This announcement may contain certain "forward looking statements" which may not have been based solely on historical facts, but rather may be based on the Company's current expectations about future events and results. Where the Company expresses or implies an expectation or

belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis.

However, forward looking statements are subject to risks, uncertainties, assumptions, and other factors which could cause actual results to differ materially from future results expressed, projected or implied by such forward looking statements. Such risks include, but are not limited to exploration risk, mineral resource risk, metal price volatility, currency fluctuations, increased production costs and variances in ore grade or recovery rates from those assumed in mining plans, as well as political and operational risks in the countries and states in which we sell our product to, and government regulation and judicial outcomes.

Readers should not place undue reliance on forward looking information. The Company does not undertake any obligation to release publicly any revisions to any "forward looking statement" to reflect events or circumstances after the date of this announcement, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.

The release of this document to the market has been authorised by the Board.

ABOUT CATALINA RESOURCES LTD

Catalina Resources Ltd is an Australian diversified mineral exploration and mine development company whose vision is to create shareholder value through the successful exploration of prospective gold, base metals, lithium and iron ore projects and the development of these projects into production.

Appendix 5B

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

Name of entity

Catalina Resources Ltd

ABN

74 130 618 683

Quarter ended ("current quarter")

31/12/2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation		
(b) development	(22)	(47)
(c) production (Care & Maintenance)	(10)	(34)
(d) staff costs	(101)	(202)
21 (e) administration and corporate costs	(72)	(106)
1.3 Dividends received (see note 3)		
1.4 Interest received	2	7
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other (Sale Agreement with MGM)		
1.9 Net cash from / (used in) operating activities	(203)	(382)

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	(268)	(435)
(e) investments		
(f) other non-current assets		

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 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	(268)	(435)

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)		
3.10 Net cash from / (used in) financing activities		

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	4734	5080
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(203)	(382)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(268)	(435)
4.4 Net cash from / (used in) financing activities (item 3.10 above)		

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 (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	4263	4263

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	313	484
5.2	Call deposits	3950	4250
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)	4263	4734

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	89
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>		

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

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<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	
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)	(203)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(268)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(471)
8.4	Cash and cash equivalents at quarter end (item 4.6)	4263
8.5	Unused finance facilities available at quarter end (item 7.5)	
8.6	Total available funding (item 8.4 + item 8.5)	4263
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	9.05
<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		

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

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: 24/01/2023

Authorised by: The Board
(Name of body or officer authorising release – see note 4)