

DECEMBER 2022 QUARTERLY REPORT

TUESDAY, 31 JANUARY 2023

QUARTERLY HIGHLIGHTS

- **Drilling on the Copper Zone confirms the strong vertical continuity and high priority bulk copper-gold play. Deep test to follow.**
- **Drill tests on the Northern Fold structure firm up the extent of broad zones of lead and silver mineralisation re-enforcing the bulk resource potential. Target open down plunge.**
- **Drill tests on the shallower portions of the Western and Eastern Lead-Silver Horizons hit high tenor mineralisation supporting the nearer to surface resource potential at Target 1. Step out drilling closer to surface planned.**
- **First deep test below the lead-silver mineralisation intersects visible lead sulphides where the Eastern and Western horizons were predicted. Visual results released, assay results pending.**
- **Down-hole surveying of deep test MRN22005 and historic hole MRN14004 scheduled to begin shortly.**

Chairman: Simon Bird
Managing Director: Richard Carlton
Non-Executive Technical Director: Rob Rutherford

Ordinary Shares: 150,000,000
Unlisted Options: 63,000,000
Performance Rights: 13,500,000

MARONAN METALS LIMITED
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ACTIVITIES REPORT

Maronan Metals maiden drill program targeting extensions to high-grade copper-gold and lead-silver intervals commenced on 7 August 2022 with assays from the first hole delivered on 19 October 2022.

In the five months since drilling began Maronan Metals have drilled 5,461.9 metres and relogged a further 8,390.7 metres of historic core.

Maronan Metals' team has succeeded in identifying a significant bulk copper-gold play, the possibility of a bulk lead-silver mining opportunity at the Northern Fold structure, increased confidence in the potential for high-grade lead-silver horizons nearer to surface at Target 1 and recently completed the first deep test on the lead-silver.

Early drill results continue to support the integrity of the current geological model and highlight the remarkable down plunge continuity of the lead-silver and copper zones.

Outcomes on the various target areas are briefly discussed below and summarised in Table 1.

Copper Zone

Assays from MRN22001, MRN22001W1 and additional sampling from historic drill hole MRN12004 confirm the strong vertical continuity of the copper-gold mineralisation at Maronan and highlight the potential for wider intervals of higher-grade mineralisation at depth (refer to Maronan Metals ASX announcements dated 19 October 2022 and 24 November 2022)

Copper and gold mineralisation transitioning from the weathered Chalcocite Zone to the primary Chalcopyrite Zone in MRN22001 returned a wide intercept of 122.6 metres averaging 0.55% copper and 0.44 g/t gold including a high-grade intercept of 19.2 metres at 1.83% copper and 1.58 g/t gold.

Assaying of previously unsampled copper sulphide mineralisation adjacent to the previously reported higher grade zone in MRN12004 confirmed 91.8 metres at 0.88% copper and 0.77 g/t gold including the 27.0 metres at 1.87% copper and 2.09 g/t gold.

Cross section and long section interpretations from the current drilling show the strong vertical continuity of the copper-gold zone which extends for over 600 metres and remains open up and down plunge (Figures 1 and 2). The wide intercepts of copper and gold mineralisation reflect a true width of about 60-80 metres and extend along strike for about 200-250 metres highlighting the bulk volume potential. Copper and gold grades within the bulk zone show a general increase down plunge further supporting the concept for a large "Tier 1" deposit at depth.

Future drilling on the Copper Zone will target the down plunge "Tier 1" concept and scope for shallower, up plunge zones of secondary chalcocite and fresh primary chalcopyrite mineralisation.

Target 2: Northern Fold Structure

Results from drill holes MRN22002W1 and MRN22002W2 centred on the Northern Fold structure, firm up the extent of broad zones of lead and silver mineralisation re-enforcing the bulk resource potential at this target area (refer to Maronan Metals Announcement dated 8 December 2022).

The soft, carbonate-galena horizons vary from about 6 metres to 23 metres true width and can be interpreted over a vertical distance of about 350 metres and a strike length of 150 metres. This mineralisation remains open down-plunge and will be the focus of future drilling once down-hole electromagnetic surveying has been completed within historic hole MRN14004.

Subject to further work, these wide zones of lead and silver mineralisation may be amenable to cost effective bulk mining.

Target 1: Shallow Lead-Silver Mineralisation

Drill holes MRN22003 and MRN22003W1, testing the shallower portions of the Western and Eastern Lead-Silver Horizons, both intersected multiple intervals of very high-grade lead-silver mineralisation, some with elevated zinc and accessory gold (refer to Maronan Metals Announcement dated 16 January 2023).

These shallower horizons of high tenor lead-silver mineralisation support the nearer to surface resource potential at Target 1 which, with further drill definition, may prove to be economically significant.

The higher-grade horizons remain open up and down plunge, along strike to the south and have considerable potential to extend closer to surface. Near-term drilling will aim to map their extent and continuity.

“Tier 1” Target Concepts

Two exciting “Tier 1” target concepts exist at depth beyond the limits of the known mineralisation at Maronan. One of these is the scope for thicker and higher-grade zones of copper-gold mineralisation down-plunge of the known mineralisation (Figure 2). The second is the potential for higher grade and thicker zones of Cannington style lead-silver-zinc mineralisation as the exhalative system approaches the interpreted vent core at depth (Targets 4 and 5 on Figure 3).

Maronan Metals first deep test below the lead-silver mineralisation (MRN22005) was completed this quarter and intersected visible lead sulphides where the Eastern and Western horizons were predicted (refer to Maronan Metals Announcement dated 24 January 2023). Visible copper sulphide mineralisation is variably developed between 1304 metres and 1404 metres downhole.

MRN22005 terminated at 1543.8 metres and the core is currently being logged and sampled in preparation for assaying. Results are anticipated in about 6 weeks.

This deep hole and historic hole MRN14004 (Figure 3) will be used as a platform to undertake down-hole electromagnetic (DHEM) surveying to assist off-hole targeting towards high sulphide zones. Down-hole surveying is scheduled to begin shortly.

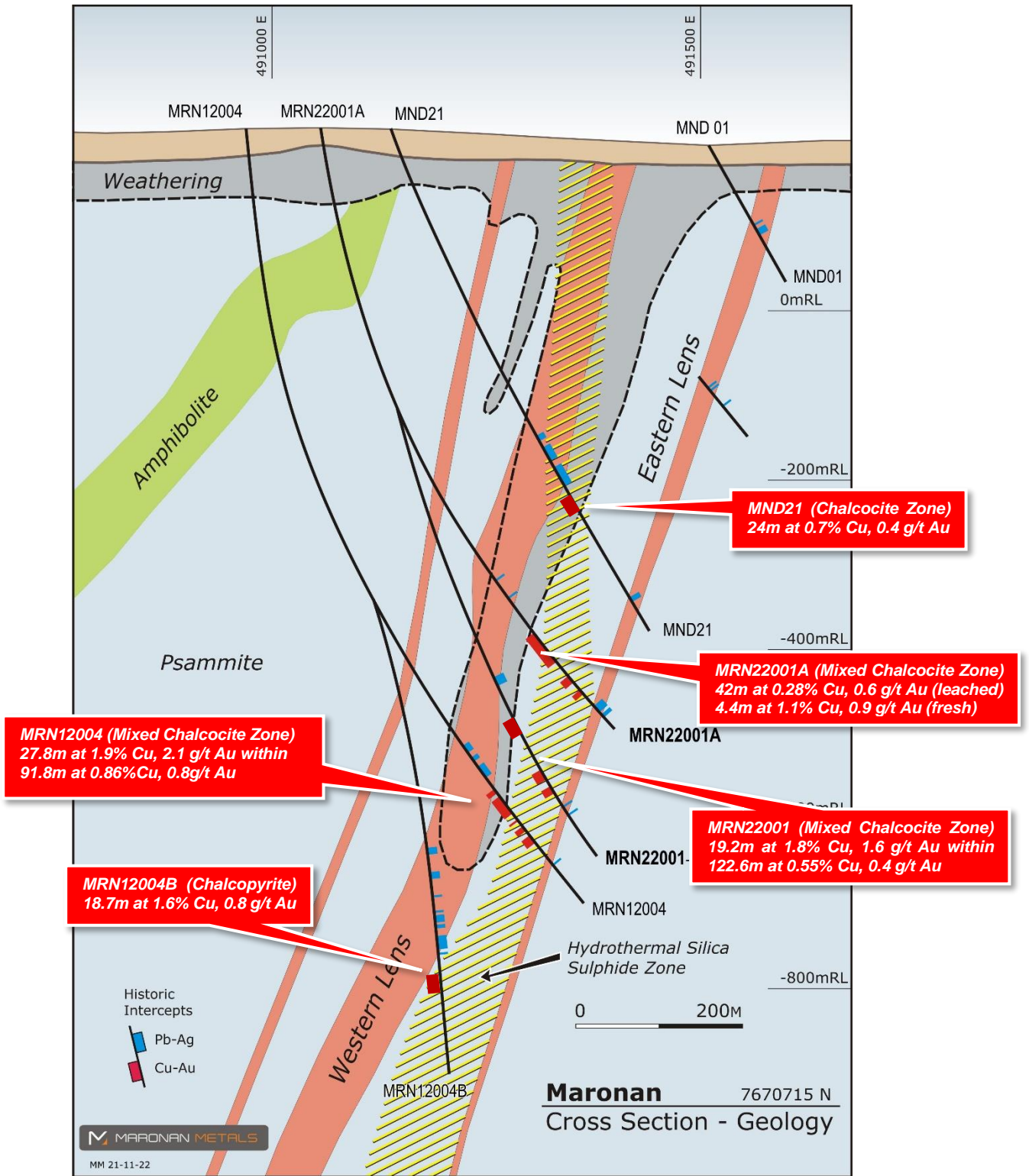
ONGOING EXPLORATION

While DHEM progresses on the deep holes, drilling in the near term will focus on testing the continuity of the shallower high tenor lead-silver mineralisation at Target 1.

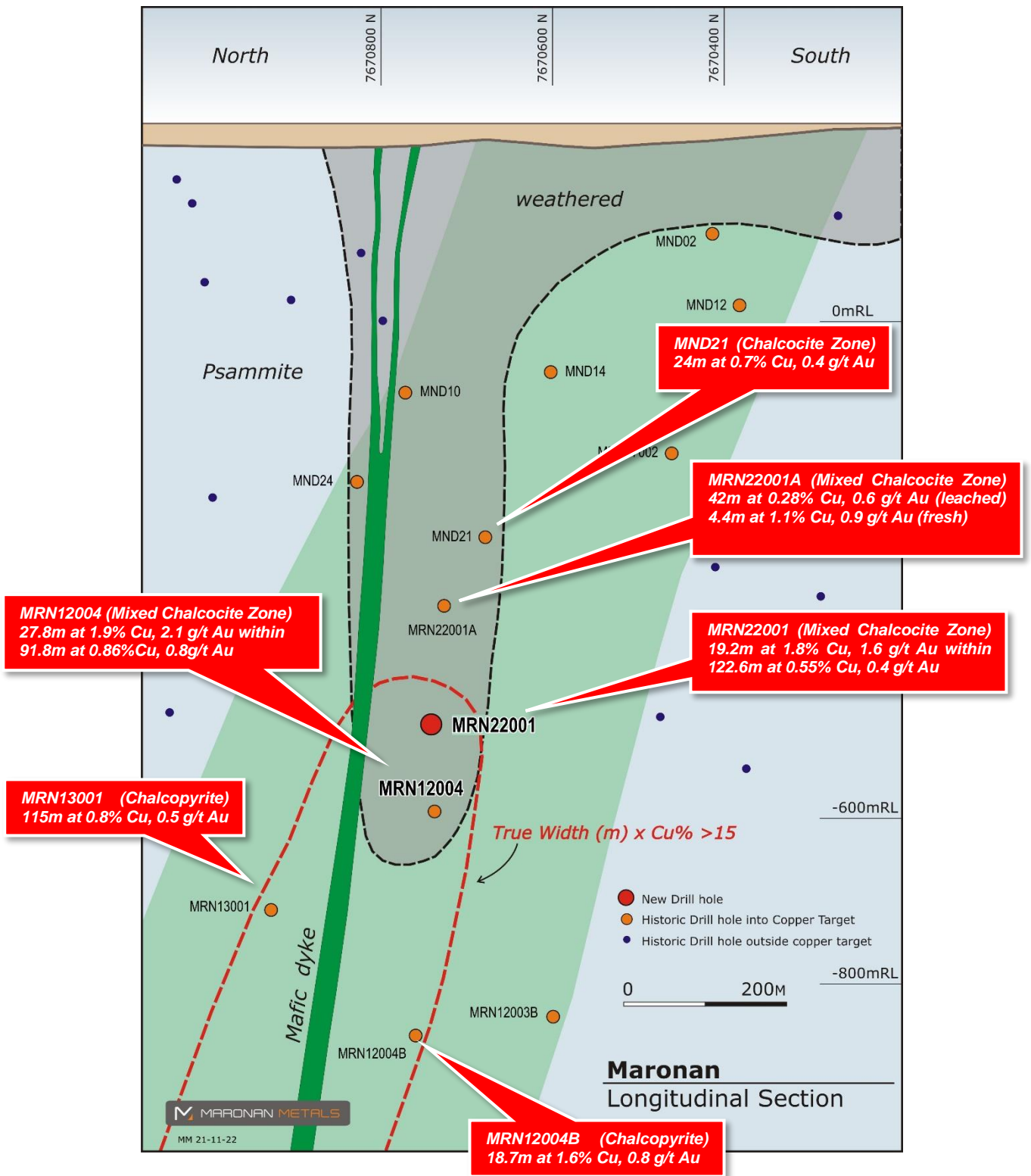
Deep tests on the copper-gold will follow completion of the DHEM program.

[Table 1] Summary of current Maronan Metals drill program.

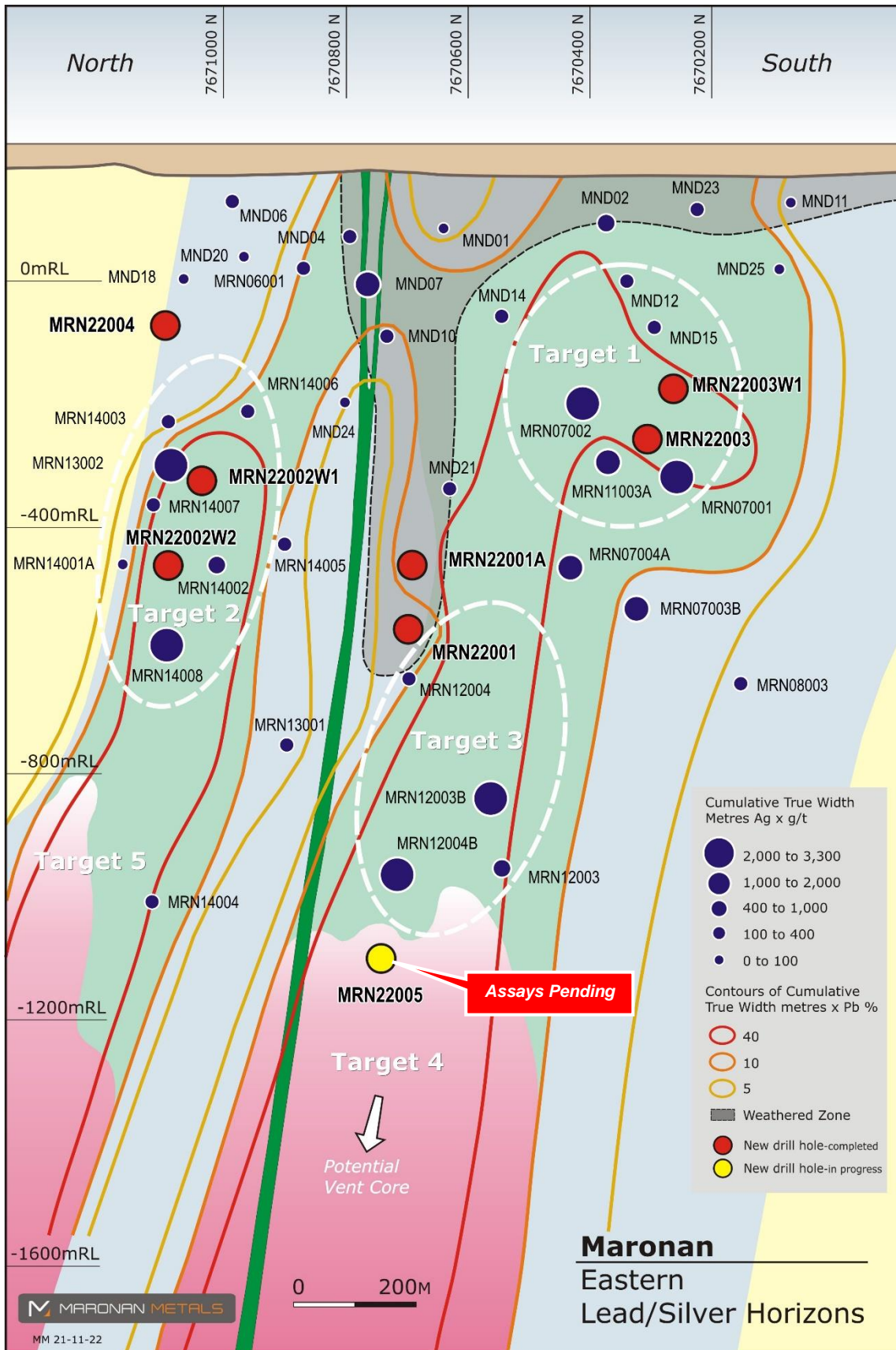
Drill Hole	East	North	RL	Dip	Azimuth	Hole Depth	Target	Assay Results
MRN22001	491054	7670728	211.9	-77	75	921.7	Cu - Au Zone	Reported in Nov 2022
MRN22001A	491054	7670728	211.9	-77	75	801.7	Cu - Au Zone	Reported in Oct 2022
MRN22002	491227	7671127	210.8	-80	90	275.7	Target 2 (Pb-Ag)	
MRN22002W1	491227	7671127	210.8	-80	90	684.7	Target 2 (Pb-Ag)	Reported in Dec 2022
MRN22002W2	491227	7671127	210.8	-80	90	756.7	Target 2 (Pb-Ag)	Reported in Dec 2022
MRN22003	491101	7670400	211	-65	95	685	Target 1 (Pb-Ag)	Reported in Jan 2023
MRN22003W1	491101	7670400	211	-65	95	659.5	Target 1 (Pb-Ag)	Reported in Jan 2023
MRN22004	491415	7671135	211	-70	85	435.6	North Fold Hinge Au	No significant result - missed target
MRN22005	490660	7670730	211	-80	75	1,543.8m	Target 4 - below MRN12004B.	Expected in Mar 2023



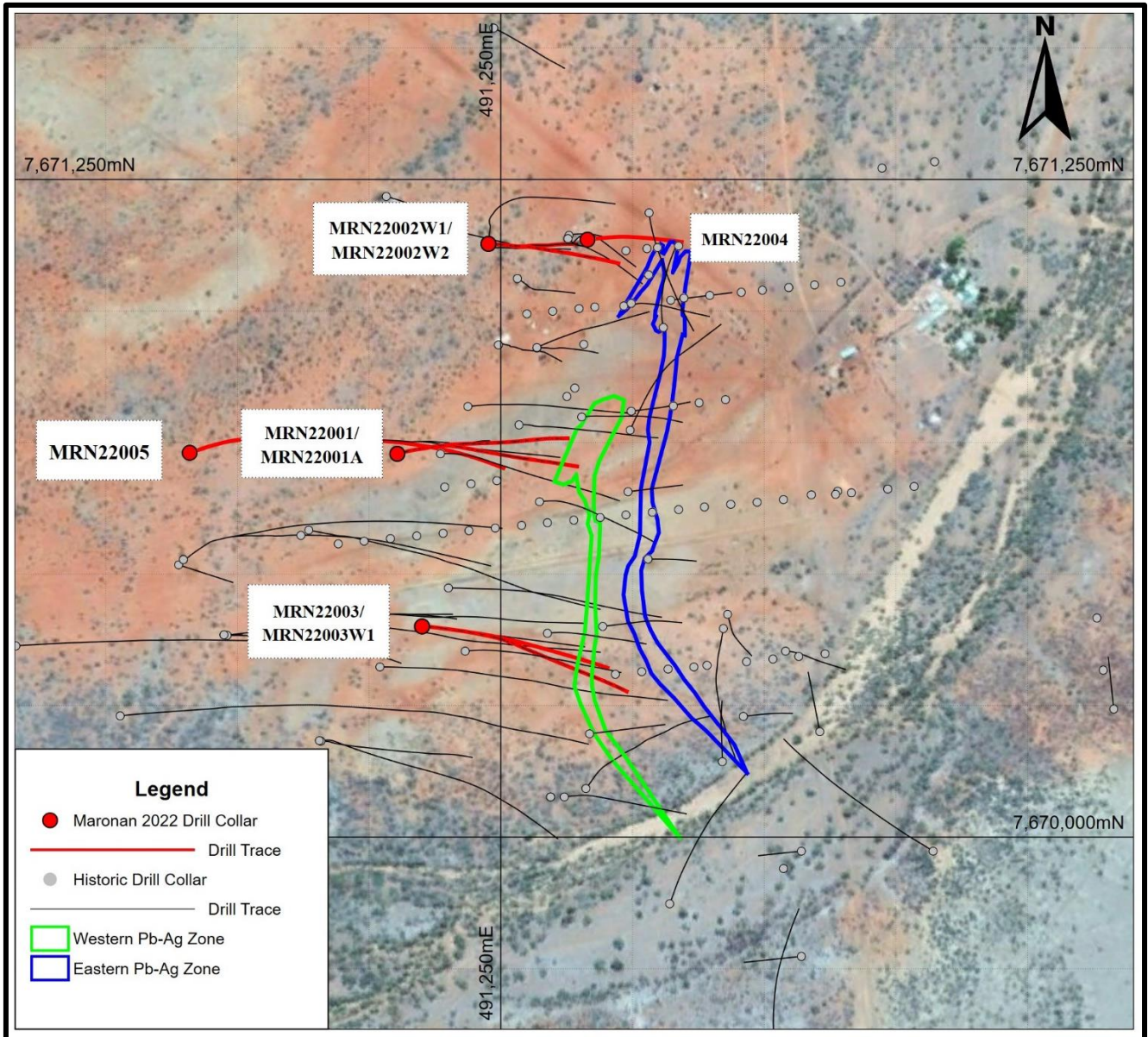
[Figure 1] Interpreted cross section 7670720N showing the historic drill holes and the first two intersections of the 2022 program, MRN22001A and MRN22001 (assays received) plus recent results from assays on previously unsampled visible sulphides in MRN12004. Note the strong vertical continuity of the copper-gold mineralisation that extends for over 600 metres and is open up and down dip.



[Figure 2] Copper Zone long section showing initial 2022 drill holes MRN22001 and MRN2201A and historic drill intercepts plus recent results from assays on previously unsampled visible sulphides in MRN12004.



[Figure 3] Eastern Lead-Silver long section showing the 2022 drilling completed and in progress on the Maronan Project.



[Figure 4] Plan view of 2022 drilling completed and in progress at the Maronan Project with respect to recently updated models of key target horizons at the 0mRL.

Investor Information

The information in this Quarterly Report that relates to estimates of Mineral Resources for the Maronan Project was previously reported by the Company in compliance with JORC 2012 in the prospectus dated 21 February 2022, which was released to the ASX on 27 April 2022.

The Company confirms that it is not aware of any new information or data that materially affects the information included in those earlier market announcements and, in the case of the estimate of Mineral Resources all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

Further information, previous Maronan Metals announcements and exploration updates are available at the Investors tab on the Company's website - www.maronanmetals.com.au.

This announcement was authorised by the Board of Maronan Metals Limited. For more information, please contact: richard.carlton@maronanmetals.com.au

A handwritten signature in black ink, appearing to read 'R.A. Carlton', with a long horizontal flourish extending to the right.

Richard Carlton,
Managing Director

ASX: MMA

For enquiries on your shareholding or change of address please contact:

Automatic Group on 1300 288 364; or
www.investor.automic.com.au.

Competent Persons Statement

The information in this report that relates to Exploration Results is based on and fairly represents information and supporting documentation compiled by Mr Robert Rutherford, who is a member of the Australian Institute of Geoscientists (AIG). Mr Rutherford is the Non-Executive Technical Director of the Company. Mr Rutherford has sufficient experience which is relevant to the style of mineralisation and type of deposit 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). Mr Rutherford consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

ADDENDUM TO DECEMBER 2022 QUARTERLY ACTIVITIES REPORT

Additional ASX Information

- ASX Listing Rule 5.3.1: Exploration and Evaluation Expenditure during the quarter ending 31 December 2022 was \$1,884,000.
- ASX Listing Rule 5.3.2: There were no substantive Mining Production and Development activities conducted during the quarter.
- ASX Listing Rule 5.3.5: During the quarter ending 31 December 2022, the Company paid \$153,481 to related parties representing Directors' salaries, fees and superannuation.
- ASX Listing Rule 5.3.3: Use of funds since listing compared with Prospectus lodged with ASX on 27 April 2022. Variance to date is due to the current early stage of the exploration programme.

	Use of Funds in Prospectus \$000	Use of Funds to 31 Dec 2022 \$000
Exploration	11,000	2,804
Expenditure reimbursement	500	500
Expenses of the offer	880	798
Administration costs	1,500	487
Working capital	1,120	532
	15,000	5,121

Please refer to Appendix 5B for further information regarding movements in cash during the quarter

Table 1 - Granted exploration tenements held at the end of the Quarter are as follows:

Project	Tenement Reference	Company Interest (%)	Comments
Maronan	EPM 13368	100	

Table 2 - Exploration tenements acquired or disposed of during the quarter are as follows:

Project	Tenement Reference	Status	Comments
Nil			

Appendix 5B

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

Name of entity

Maronan Metals Limited

ABN

17 156 269 993

Quarter ended ("current quarter")

31 December 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 *	(1,884)	(2,566)
(b) development		
(c) production		
(d) staff costs		
(e) administration and corporate costs	(169)	(342)
1.3 Dividends received (see note 3)		
1.4 Interest received	27	41
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other (Net GSTI)	(163)	(261)
1.9 Net cash from / (used in) operating activities	(2,189)	(3,128)

* September quarter cash outflow to acquire Property Plant and Equipment restated. Exploration cash outflow increased by \$70k due to re-allocation of items from Plant and equipment to Exploration expenditure

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) tenements		
(c) property, plant and equipment *	-	(29)
(d) exploration & evaluation		
(e) investments		
(f) other non-current assets	-	(1)

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
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	-	(30)

* September quarter cash outflow to acquire Property Plant and Equipment restated. Plant and equipment cash outflow reduced by \$70k due to re-allocation of items from Plant and equipment to Exploration expenditure

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	12,068	13,037
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,189)	(3,128)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(30)
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	9,879	9,879

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	9,879	12,068
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)	9,879	12,068

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	(153)
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. 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)	(2,168)
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)	(2,168)
8.4	Cash and cash equivalents at quarter end (item 4.6)	9,879
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	9,879
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	4.6
<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?	
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?	
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?

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.

31 January 2023

Date:

The Board of Directors

Authorised by:
(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.