

SEPTEMBER 2022 QUARTERLY REPORT

MONDAY, 31 October 2022

QUARTERLY HIGHLIGHTS

- The Company's maiden drill program targeting extensions to high-grade copper-gold and lead-silver intervals commenced on 7 August 2022.
- Assays from MRN22001A, Maronan Metals first drill hole, confirm the strong vertical continuity of the separate copper-gold and lead-silver mineralised zones.
- Significant estimated true width intercept from the weathered Chalcocite Zone in MRN22001A totalled 33.6 metres at 0.28% copper and 0.59g/t gold.
- Assays from a second hole into the Chalcocite Zone MRN22001 are due shortly.
- Two drill tests of lead-silver targets on the Northern Fold structure are now complete. Assays from MRN22002W1 and MRN22002W2 are pending.
- Drill tests on shallower lead-silver targets along the Eastern and Western lead-silver horizons are progressing.
- Early drill results continue to support the integrity of the current geological model.
- Preparations are underway to re-open historic deep holes MRN14004 and MRN14008 in anticipation of down-hole electromagnetic surveying to aid targeting towards the deeper "Tier 1" concepts.
- A first deep drill test for Cannington style vent core mineralisation planned to commence during the December quarter.
- As at 30 September 2022, Maronan held \$12.068 million in cash.

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 (refer to relevant Maronan Metals ASX announcements, 8 August 2022 and 19 October 2022).

The current exploration program aims to evaluate the potential for continuous higher-grade zones of copper-gold and lead-silver mineralisation between the existing wide spaced drill holes and beyond the limits of the inferred resources, and test deeper “Tier 1” concepts for the copper-gold and lead-silver with some initial wide spaced holes. Scope for shallower near surface zones of mineralisation, gold-only mineralisation and first tests on the regional geophysical targets are also planned for testing.

Importantly, early drill results continue to support the integrity of the current geological model. Outcomes on the various target areas and status of the individual holes are briefly discussed below and summarised in Table 1.

Chalcocite Zone

Maronan Metals first two drill holes MRN22001A and MRN21001 target the extension to the Chalcocite Zone above MRN12004 and have successfully intersected the copper bearing structure (Figure 1 and Figure 2).

The Chalcocite Zone is a variably weathered zone of copper-gold mineralisation characterised by the high tenor copper mineral chalcocite with some native copper and locally preserved primary chalcopyrite. This zone can contain intervals of supergene enriched copper and/or gold and localised zones of depletion.

The copper mineralisation intersected in MRN22001A transitioned from weathered chalcocite-native copper minerals typical of the Chalcocite Zone to fresh primary chalcopyrite mineralisation at a down hole depth of about 675 metres.

Assays from MRN22001A highlight a significant estimated true width intercept from the weathered Chalcocite Zone of 33.6 metres at 0.28% copper and 0.59g/t gold. This interval included a true width intercept of 9.1 metres at 1.93 g/t gold which is interpreted as a zone of supergene gold enrichment with copper depletion typical of this weathered style of mineralisation (refer to Maronan Metals ASX announcement dated 19 October 2022).

A second hole MRN22001 drilled as a wedge-off and below MRN22001A has intersected Chalcocite Zone mineralisation visibly stronger than observed in the first hole. Assays from MRN22001 are due shortly (Figure 1).

Cross sectional interpretation from the current drilling shows the strong vertical continuity of the copper-gold zone which extends for over 600 metres and remains open up and down dip (Figure 1).

Target 2: Northern Fold Structure

Drill holes MRN22002W1 and MRN22002W2 test the continuity of thick and high-grade intervals of lead-silver mineralisation focused at the Northern Fold structure (Target 2 on Figure 3). Some challenging drilling conditions were encountered drilling MRN22002W1 which intersected the targeted lead-sulphide bearing horizons much closer to MRN13002 than originally planned. A second wedge MRN22002W2 has been completed below the parent hole (Figures 3 and 4) with logging and sampling of both holes progressing. Assays from MRN22002W1 and MRN22002W2 are pending.

Target 1: Shallow Lead-Silver Mineralisation

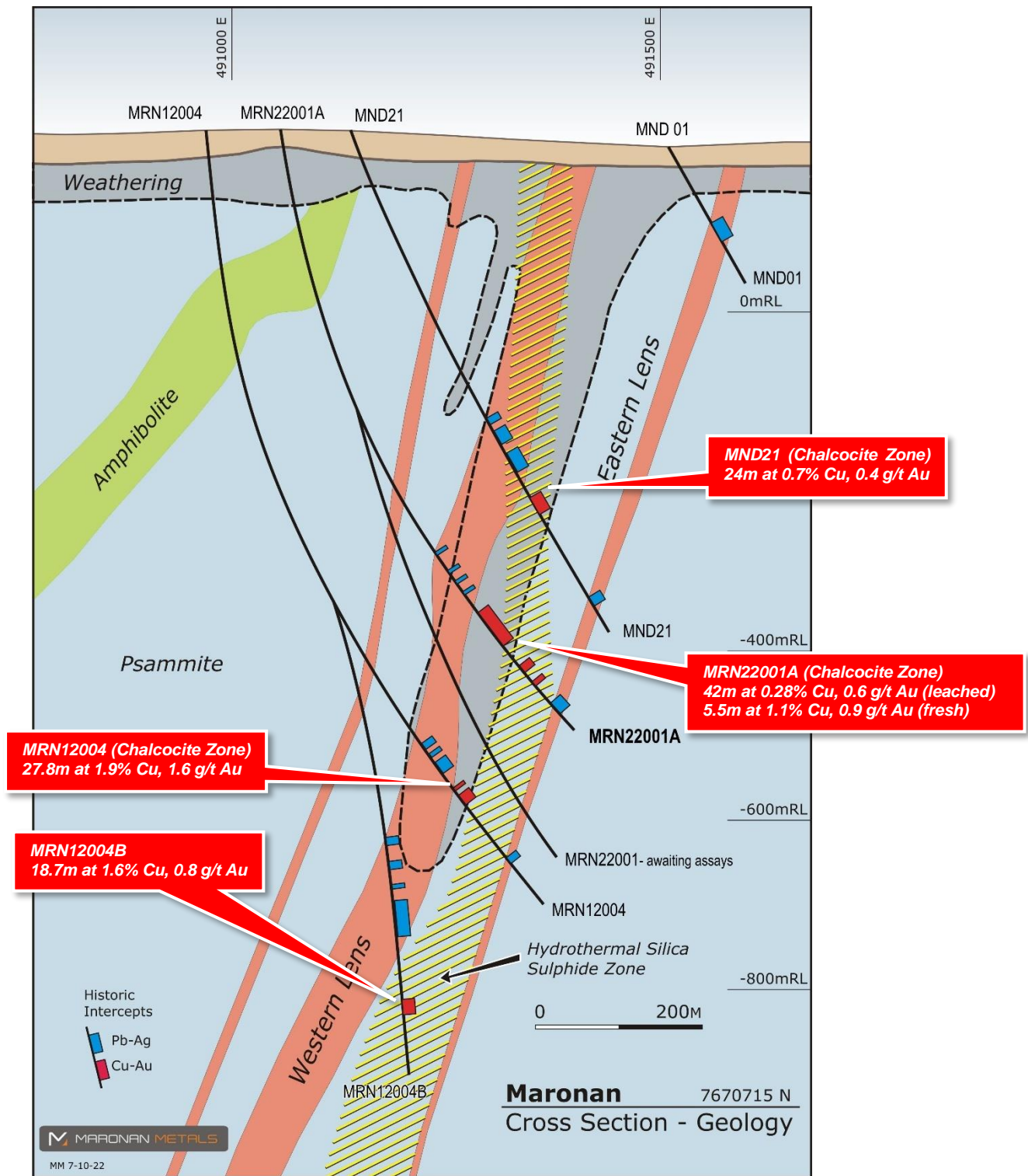
Drilling holes MRN22003W1 and MRN22003 aim to test the continuity of shallower zones of high-grade lead-silver mineralisation along the Eastern and Western horizons (Target 1 on Figures 3). MRN22003W1 has recently been completed and MRN22003 is in progress (Figures 3 and 4). Logging in preparation for sampling has commenced.

“Tier 1” Target Concepts

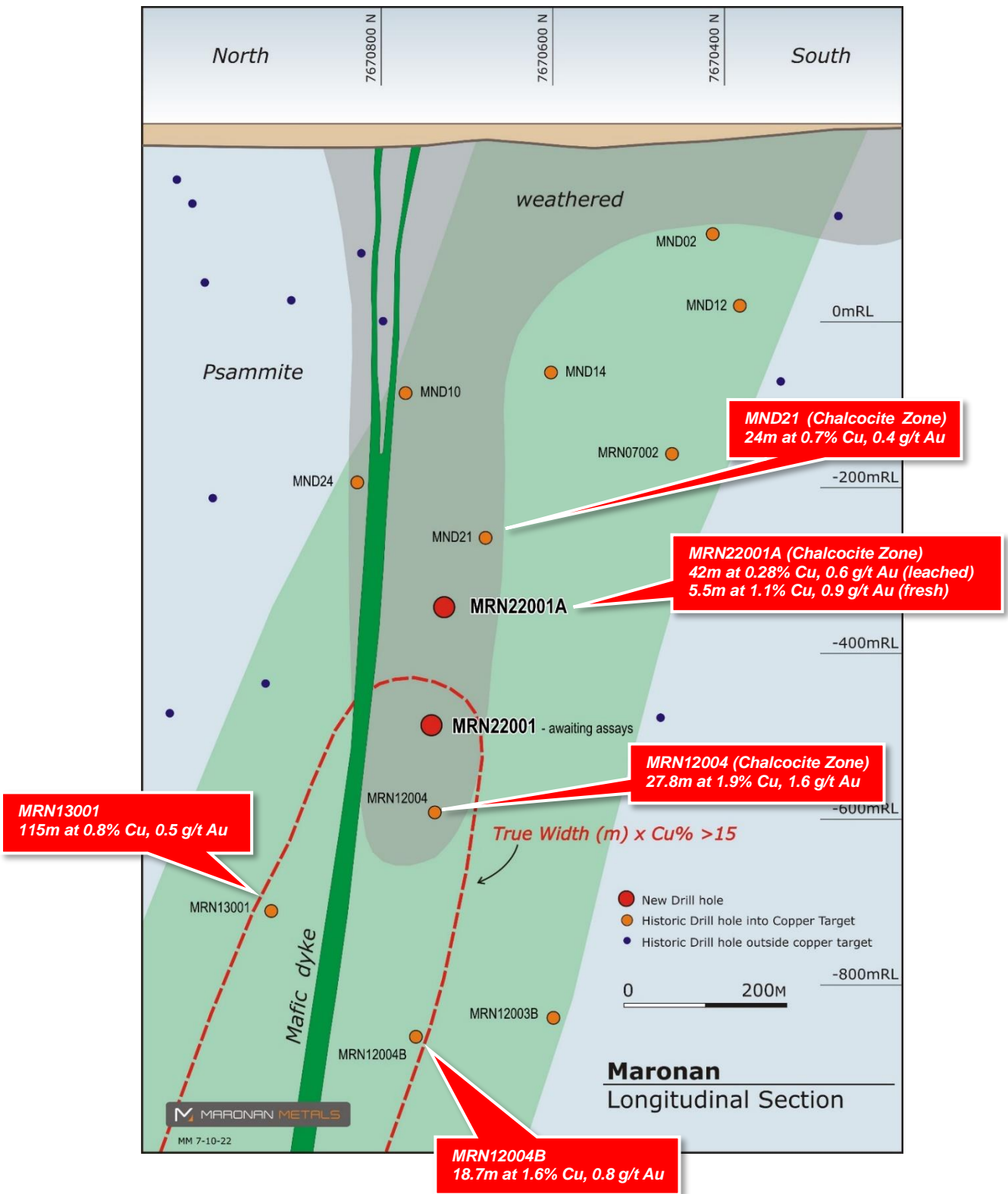
Two exciting “Tier 1” target concepts exist at depth beyond the limits of the known mineralisation at Maronan. One being the scope for thicker and higher-grade zones of copper-gold mineralisation down-plunge of the known mineralisation (Figure 2). The second being the potential for higher grade and thicker 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).

Preparations are underway this quarter to re-open historic deep holes MRN14004 and MRN14008 in anticipation of down-hole electromagnetic (DHEM) surveying to aid targeting towards the deeper “Tier 1” concepts. Re-modelling of historic DHEM data has begun.

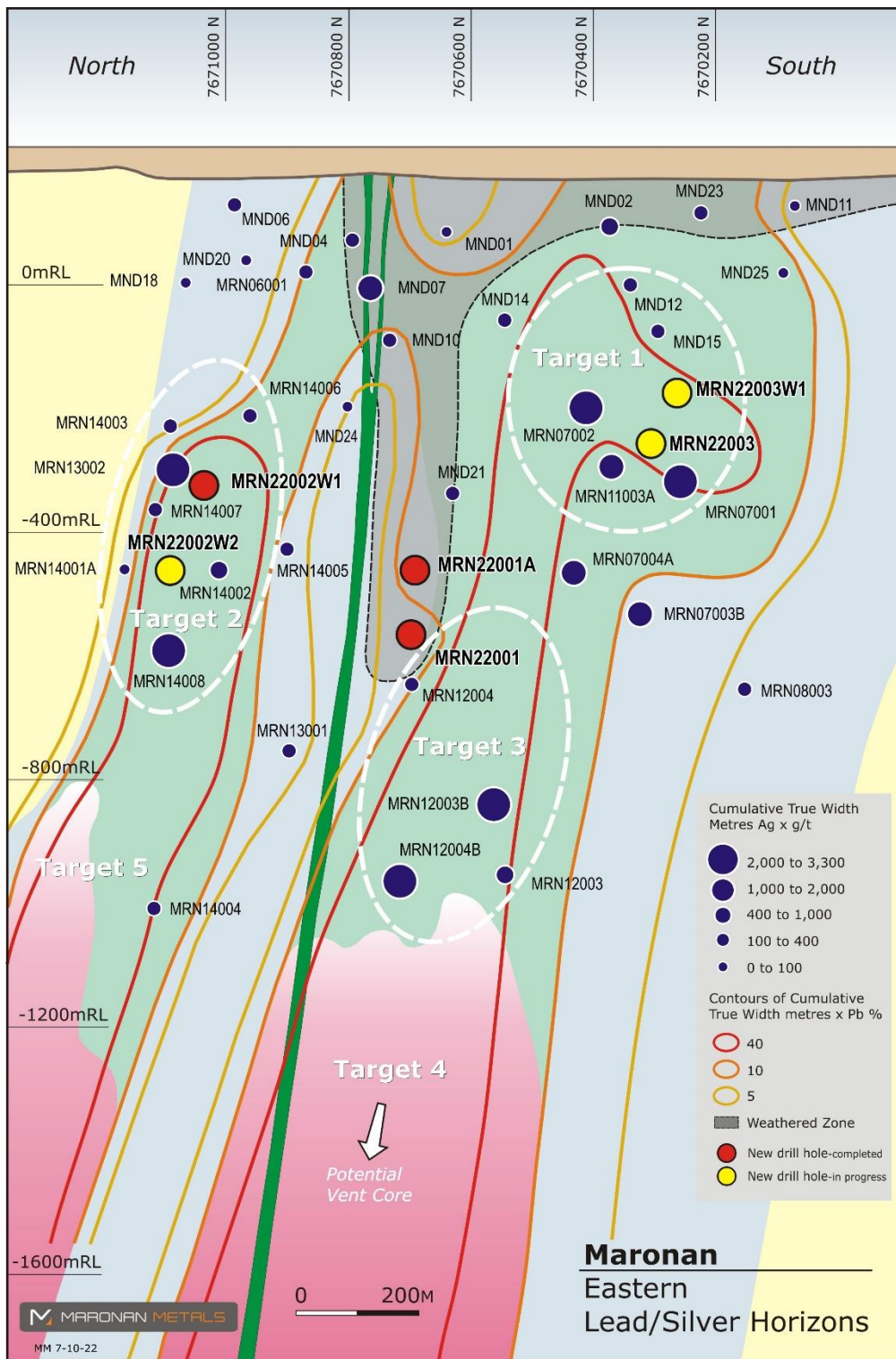
Dependent on delays due to seasonal rainfall, a first deep test targeting the Central Fold structure below MRN12004B is planned to commence during the December quarter (Target 4 on Figure 3).



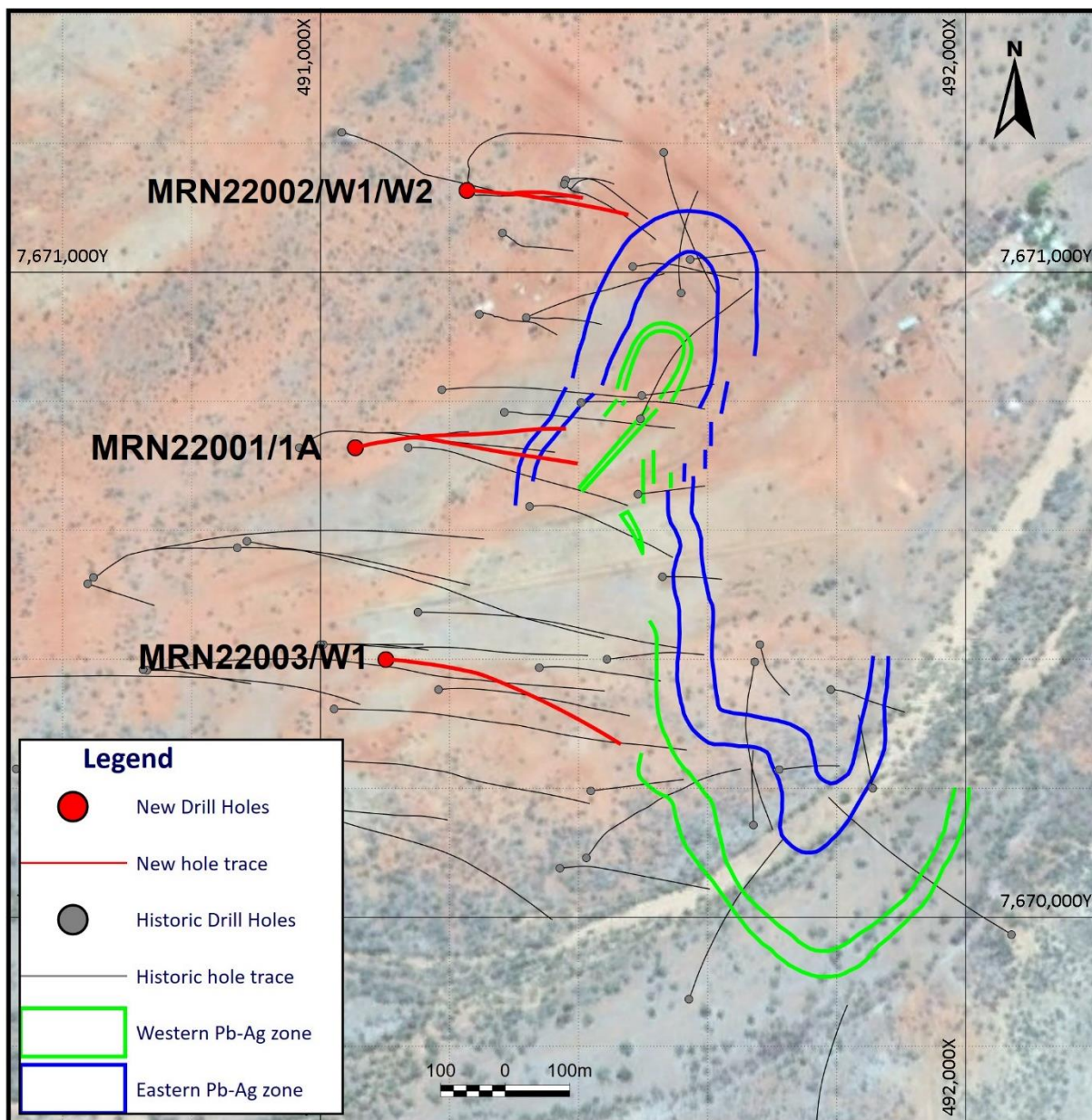
[Figure 1] Interpreted cross section 7670720N showing the historic drill holes and the first two intersections of the 2022 program, MRN22001A (assays received) and MRN22001 (assays pending). Note the strong vertical continuity of the copper-gold mineralisation that extends for over 600 metres and is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



[Figure 2] Copper Zone long section showing initial 2022 drill holes MRN22001 and MRN2201A and historic drill intercepts.



[Figure 3] Eastern Lead-Silver long section showing initial 2022 drill holes and target area numbers.



[Figure 4] Plan view of 2022 drilling completed and in progress at the Maronan Project with respect to the modelled exhalative horizons at the 150mRL.

[Table 1] Maronan Project: Summary of 2022 drill holes.

Drill Hole	East	North	RL	Dip	Azimuth	Hole Depth	Comment	Target	Hole Status	Logging	Sampling	Assay Results
MRN22001	491054	7670728	211.9	-77	75	921.7m	Wedge below MRN22001A from 306.5m	Cu - Au Zone	Completed	Completed	Completed	Expected in Nov
MRN22001A	491054	7670728	211.9	-77	75	801.7m		Cu - Au Zone	Completed	Completed	Completed	ASX Announcement 19 Oct 2022
MRN22002	491227	7671127	210.8	-80	90	275.7m	Azimuth deviated outside tolerance. Potential to re-enter and test southern extent of target 2	Target 2 (Pb-Ag)	On -hold			
MRN22002W1	491227	7671127	210.8	-80	90	684.7m	Lifted faster than planned. Navi failed to push hole down. Intersected mineralisation ~40m from MRN13002	Target 2 (Pb-Ag)	Completed	Completed	Completed	Expected in Nov
MRN22002W2	491227	7671127	210.8	-80	90	756.7	Navi drilling successful	Target 2 (Pb-Ag)	Completed	Completed	Completed	Expected in Dec
MRN22003	491101	7670400	211	-65	95	149.6	In Progress Planned depth 680m	Target 1 (Pb-Ag)	In Progress	In Progress	In Progress	
MRN22003W1	491101	7670400	211	-65	95	659.5	Wedge of MRN22003 from 149.6m	Target 1 (Pb-Ag)	Completed	In Progress	In Progress	

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



Richard Carlton,
Managing Director

ASX: MMA

For enquiries on your shareholding or change of address please contact:
Automic 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 SEPTEMBER 2022 QUARTERLY ACTIVITIES REPORT

Additional ASX Information

- ASX Listing Rule 5.3.1: Exploration and Evaluation Expenditure during the quarter ending 30 September 2022 was \$612,000.
- ASX Listing Rule 5.3.2: There were no substantive Mining Production and Development activities conducted during the quarter.
- ASX Listing Rule 5.3.3: 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 since Listing \$000
Exploration	11,000	918
Expenditure reimbursement	500	500
Expenses of the offer	880	798
Administration costs	1,500	319
Working capital	1,120	397
	15,000	2,932

- ASX Listing Rule 5.3.5: During the quarter ending 30 September 2022, the Company paid \$88,000 to related parties representing Directors' salaries, fees and superannuation.

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 (%)	Location
Maronan	EPM 13368	100	Approximately 60km south-east of Cloncurry, QLD

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")

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	(612)	(612)
(b) development		
(c) production		
(d) staff costs		
(e) administration and corporate costs	(173)	(173)
1.3 Dividends received (see note 3)		
1.4 Interest received	14	14
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 GST)	(98)	(98)
1.9 Net cash from / (used in) operating activities	(869)	(869)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) tenements		
(c) property, plant and equipment	(99)	(99)
(d) exploration & evaluation		
(e) investments		
(f) other non-current assets	(1)	(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 (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		
2.6	Net cash from / (used in) investing activities	(100)	(100)

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		
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	13,037	13,037
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(869)	(869)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(100)	(100)
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 (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	12,068	12,068

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	12,068	13,037
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)	12,068	13,037

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	(88)
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.

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)	(869)
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)	(869)
8.4 Cash and cash equivalents at quarter end (item 4.6)	12,068
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	12,068
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	13.9
<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?	
NA	
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?	
NA	
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?	
NA	
<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.

31 October 2022

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.