

MARCH 2023 QUARTERLY REPORT

FRIDAY, 28 APRIL 2023

QUARTERLY HIGHLIGHTS

- **Step-out drilling firms up the Shallow Silver Zone (SSZ) - a likely early contributor to any potential future production scenario.**
- **Significant SSZ intercepts in MRN23001 include:**
 - 0.5 metres at 18.3% lead, 384g/t silver (28.9% Lead or 899g/t Silver Equivalent)
 - 8.7 metres at 4.5% lead, 237g/t silver (11.3% Lead or 353g/t Silver Equivalent) including
 - 4.0 metres at 4.4% lead, 426g/t silver (17.0% Lead or 528g/t Silver Equivalent)
- **Recent visual results from MRN23005 reveal a shallow, wide interval of lead sulphide mineralisation within the SSZ only 150 metres below surface. Assay results are pending.**
- **Down-hole electromagnetic (DHEM) surveying from deep test MRN22005 defines a very strong off-hole conductor north of the hole where potential for thick and high-grade copper-gold mineralisation is interpreted. A drill test on this exciting target is in progress.**
- **Near term drilling will focus on the shallow Starter Zone and thicker portions of the steep plunging Copper-Gold Zone.**

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

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ACTIVITIES REPORT

This quarter, Maronan Metals' team succeeded in building confidence in the near surface Starter Zone (previously called Target 1) with several intercepts of high tenor silver and lead mineralisation on both the Western and Eastern Horizon's. Exploration directed towards the Copper-Gold Zone identified a strong off-hole conductor which is currently being drill tested.

Drill results continue to support the integrity of the current geological model with recent shallow step-out drilling firming up the Shallow Silver Zone (SSZ) as a likely early contributor to any potential future production scenario (Figures 1 to 3). The very strong off-hole conductor located below wide copper and gold intercepts point to a potentially larger mineralised system at depth (Figure 4).

Maronan Metals has drilled 18 holes for 8,500 metres since listing and relogged over 12,000 metres of historic core. Careful drill scheduling to limit rig movements and close cooperation between the technical team, landowner and drilling crews has enabled the Maronan drill program to continue with only minor delays during this year's wet season.

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

Starter Zone: Shallow Silver Zone (SSZ)

The area originally defined as Target 1 and renamed the Starter Zone by the Company's exploration team, is a key focus for realising the shallow resource potential of the Western and Eastern Lead-Silver Horizons. Historic wide spaced drilling and recent Maronan Metals drilling has intersected several high-tenor silver with lead intercepts of potentially mineable thicknesses (Figure 1).

Of particular interest is the Shallow Silver Zone (SSZ) within the Eastern Horizon which demonstrates high tenor silver with lead mineralisation and strong continuity between drill holes (Figures 1 and 2).

Significant results within the planar SSZ have been intersected in Maronan Metals' drill holes MRN22003, MRN22003W1 (refer MMA: ASX announcement 16 January 2023) and MRN23001 (refer MMA: ASX announcement 18 April 2023) as well as historic holes MN7001, MRN7002 and MRN6002 (Figure 1). Strong SSZ intercepts within MRN23001 include:

- 0.5 metres at 18.3% lead, 384g/t silver (28.9% Lead or 899g/t Silver Equivalent)
- 8.7 metres at 4.5% lead, 237g/t silver (11.3% Lead or 353g/t Silver Equivalent) including
- 4.0 metres at 4.4% lead, 426g/t silver (17.0% Lead or 528g/t Silver Equivalent)

Furthermore, visual results from one the Company's most recent holes into the SSZ (MRN23005) reveal a wide, shallow interval of lead sulphide mineralisation only 150 metres below surface that remains open up-plunge (refer MMA: ASX announcement dated 20 April 2023). Assay results from MRN23005 and MRN23006 are pending.

Shallow and continuous horizons of high tenor silver-lead mineralisation support the nearer to surface, resource potential of the Starter Zone which, with further drill definition, may be the prime candidate

for early development in any potential future mining scenarios. The Starter Zone including the SSZ will be the focus for closer spaced drilling and revised mine studies in the near-term.

First Deep Lead-Silver Drill Test

MRN22005, Maronan Metals' first deep test below the lead-silver mineralisation, intersected multiple intervals of lead-silver mineralisation where the Eastern and Western Horizons were predicted. Assays from these intervals returned results in keeping with the holes above highlighting the consistent dip and vertical continuity of this mineralisation style which remains open at depth (refer MMA: ASX announcement dated 24 January 2023).

Copper-Gold Zone

Deep drill test MRN22005 provided an excellent platform to allow the down-plunge potential for chalcopyrite-pyrrhotite mineralisation to be imaged using down hole electromagnetic surveying. Modelling successfully identified a promising off-hole conductor centred approximately 200 metres north of the hole with a very strong conductivity thickness of 25,000 siemens (Figure 4).

The modelled response is indicative of a conductive plate with a strike of about 300 metres and a down plunge extent of about 600 metres. Importantly, MRN13001 containing 115 metres at 0.8% copper and 0.5g/t gold clipped the top of the plate which coincides with the interpreted down-plunge extension of the Copper-Gold Zone (Figure 4).

The very strong off-hole conductor located below wide copper and gold intercepts point to a potentially larger mineralised system at depth (Figure 4) and a drill test on this exciting target opportunity is in progress.

To enable the target to be tested at a reduced cost, the drill contractor has re-entered historic drill hole MRN14004 and set a wedge at 560 metres. MRN14004W1 has a planned depth of 1320 metres and is expected to take around 3 weeks to complete.

Northern Fold Zone

Results from drill holes MRN22002W1 and MRN22002W2 centred on the Northern Fold Zone (NFZ), firm up the extent of broad zones of lead and silver mineralisation re-enforcing the bulk resource potential at this target area (refer MMA: ASX announcement dated 8 December 2022).

The soft, carbonate-galena horizons at the NFZ 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.

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

Ongoing Exploration Priorities

Near-terms growth opportunities for Maronan Metals include defining an early pathway towards development at the shallow Starter Zone and expansion of the copper and gold resource down-plunge of the known mineralisation.

Ongoing drilling continues to support the integrity of the original geological model with recent shallow step-out drilling firming up the Shallow Silver Zone (SSZ) as a likely early contributor to any potential future production scenario (Figures 1 to 3).

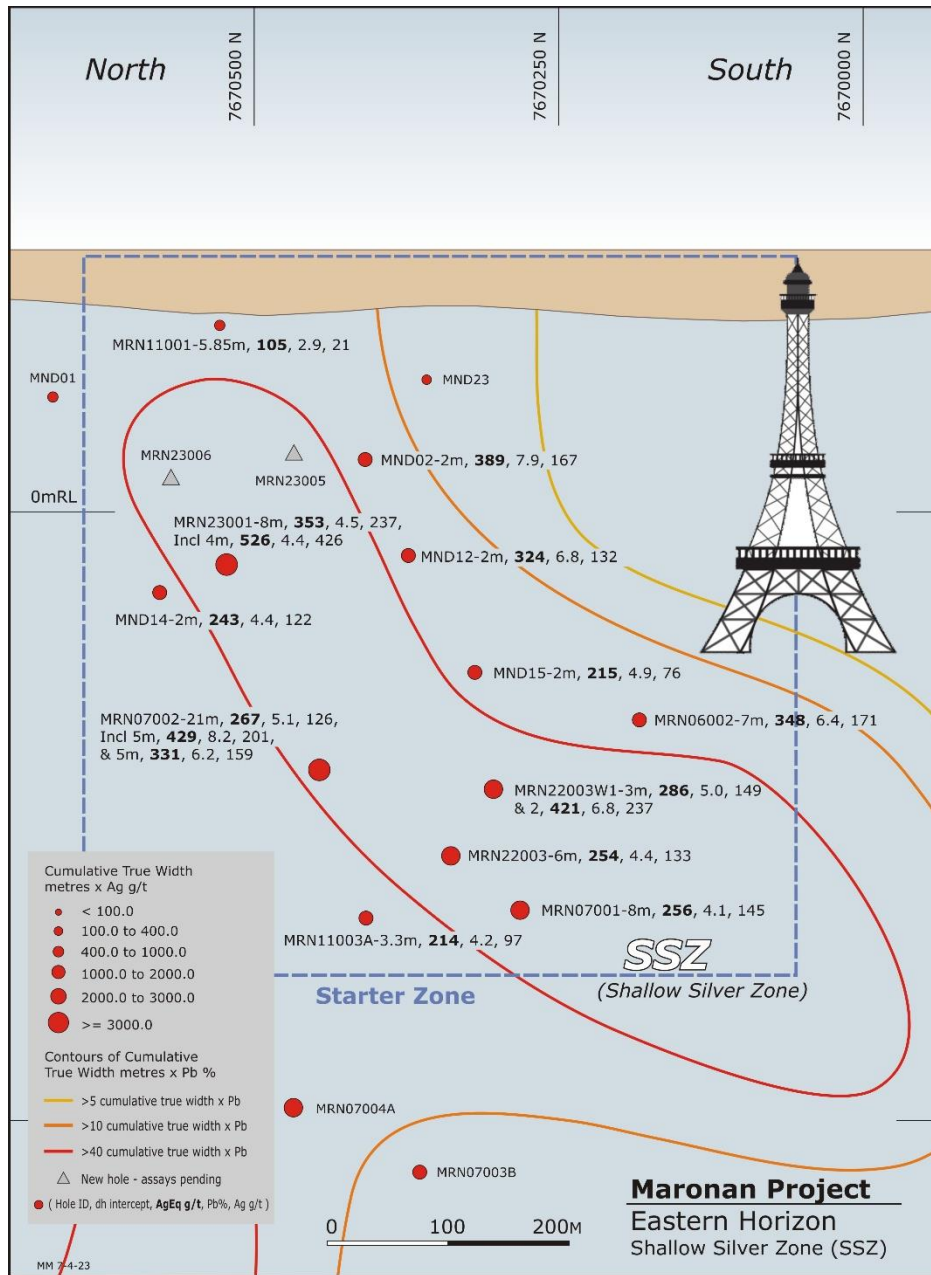
The very strong off-hole conductor located below historic wide copper and gold intercepts point to a potentially larger mineralised system at depth and a drill test on this exciting target opportunity is in progress (Figure 4).

An internal review using the previous Preliminary Scoping Study (refer to Red Metal ASX Announcement 8 March 2016) with prevailing commodity prices and likely production costs reaffirms the strong economic potential of the Maronan deposit.

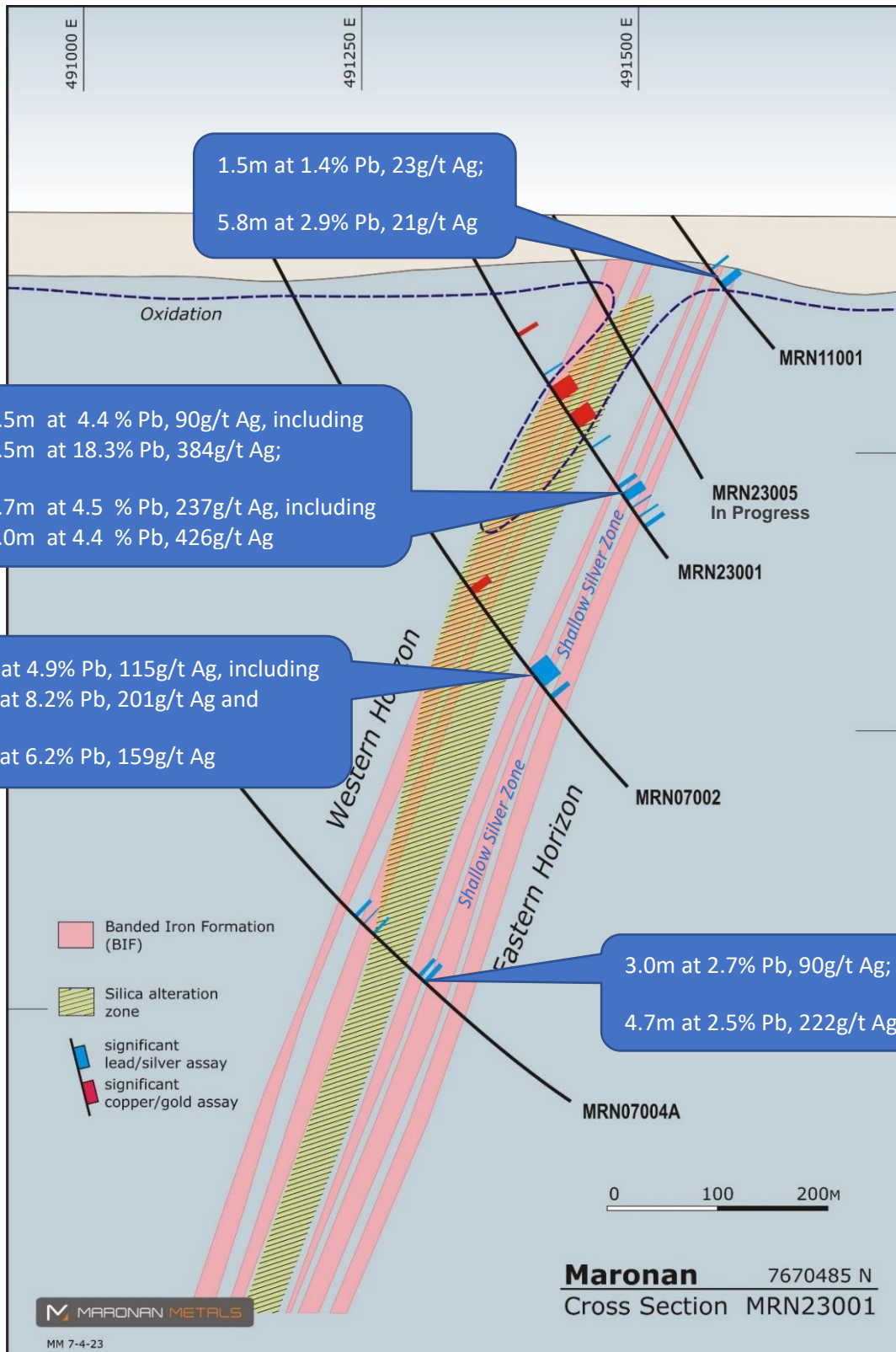
Reviews by specialists to determine likely permitting requirements for any potential mine lease have commenced.

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

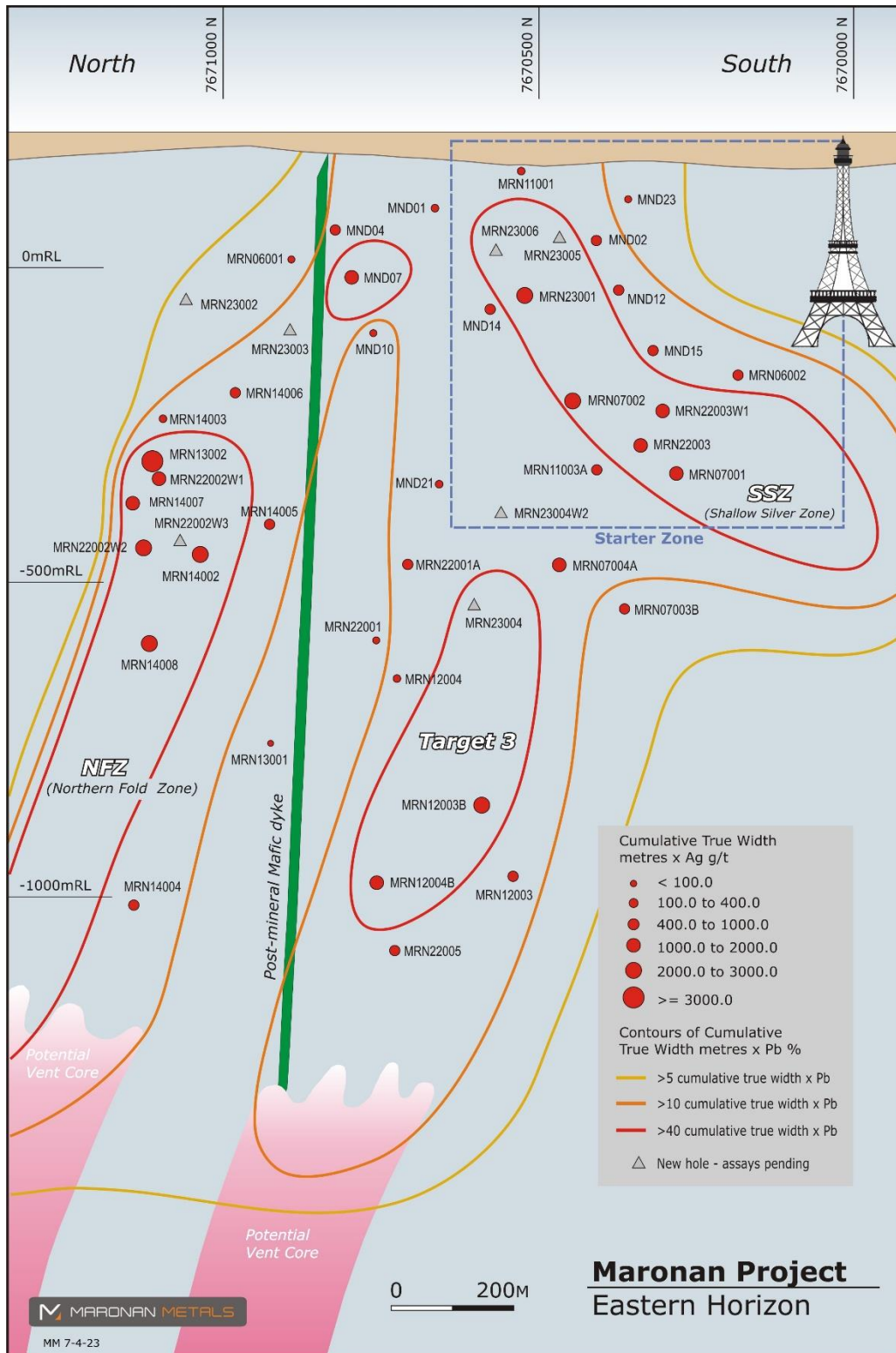
Drill Hole	East	North	RL	Dip	Azimuth	Hole Depth	Target	Hole Status
MRN22001	491054	7670728	211.9	-77	75	921.7	Cu - Au Zone	Completed
MRN22001A	491054	7670728	211.9	-77	75	801.7	Cu - Au Zone	Completed
MRN22002	491227	7671127	210.8	-80	90	275.7	NFZ	Abandoned
MRN22002W1	491227	7671127	210.8	-80	90	684.7	NFZ	Completed
MRN22002W2	491227	7671127	210.8	-80	90	756.7	NFZ	Completed
MRN22003W3	491227	7671127	210.8	-80	90	759.7	NFZ	Completed
MRN22003	491101	7670400	211	-65	95	685	SPB	Completed
MRN22003W1	491101	7670400	211	-65	95	659.5	SPB	Completed
MRN22004	491415	7671135	211	-70	85	435.6	NFZ - Gold Zone	Completed
MRN22005	490660	7670730	211	-80	75	1,543.8	Target 4 – Vent Core	Completed
MRN23001	491330	7670500	212	-60	80	366	SSZ	Completed
MRN23002	491447	76710500	212	-70	80	421	NFZ - Gold Zone	Completed
MRN23003	491343	7670883	211	-65	80	450.9	Upper NFZ	Completed
MRN23004	491111	7670663	211	-80	100	834.8	Target 1 – Target 3 Link	Completed
MRN23004W1	491111	7670663	211	-80	100	193.4	Target 1 – Target 3 Link	Abandoned
MRN23004W2	491111	7670663	211	-80	100	720.6	Target 1 – Target 3 Link	Completed
MRN23005	491423	7670460	210	-60	85	272.6	SSZ	Completed
MRN23006	491421	7670529	210	-60	105	299.4	SSZ	Completed
MRN14004W1	491033	7671217	210.5	-88	75	In progress	Copper-Gold	



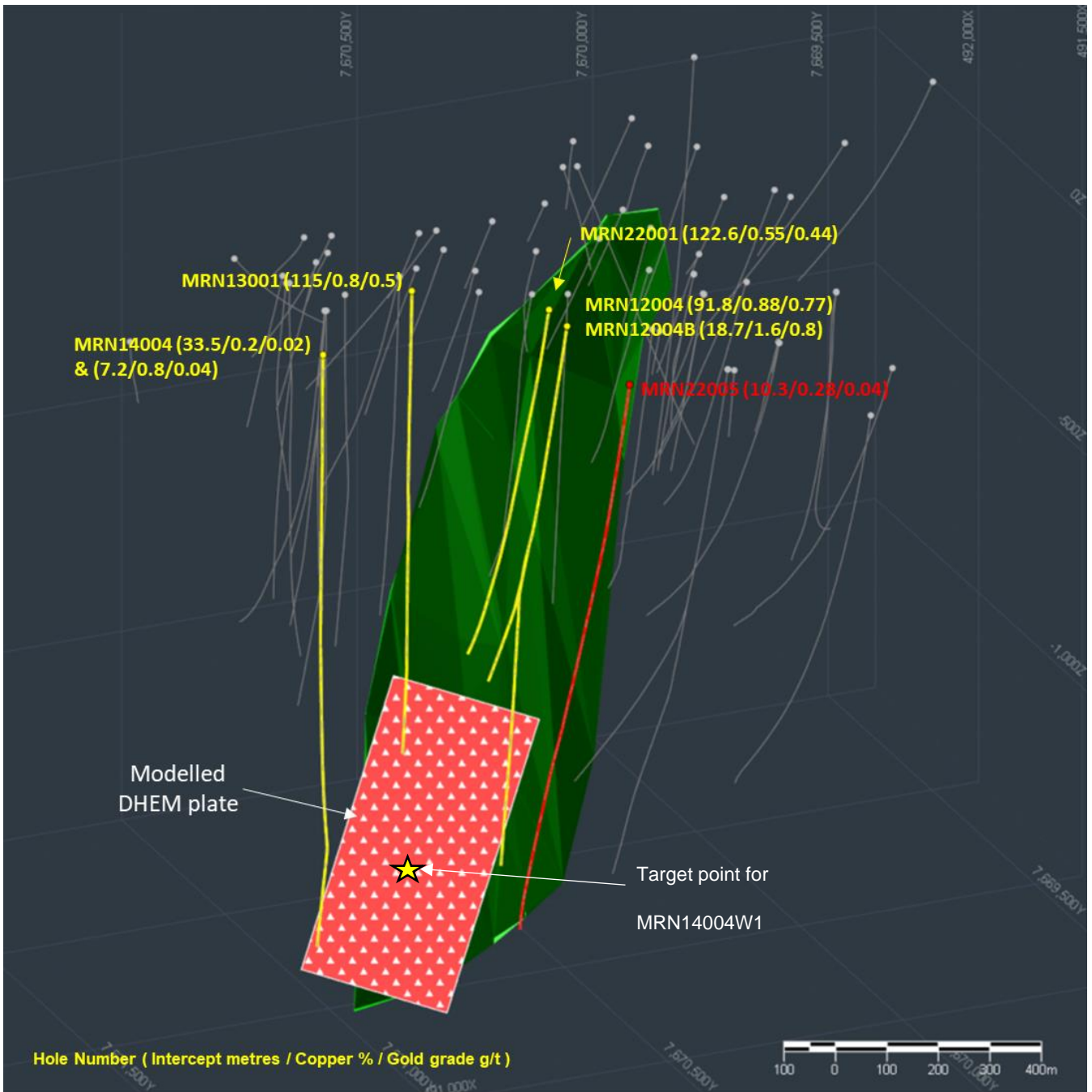
[Figures 1] Shallow Silver Zone (SSZ) long section with posted new and historic drill intercepts and pending drill hole locations. Key intercepts defining the SSZ posted as Hole Number / Intercept Metres / Silver Equivalent Value g/t (bold) / Lead % / Silver g/t.



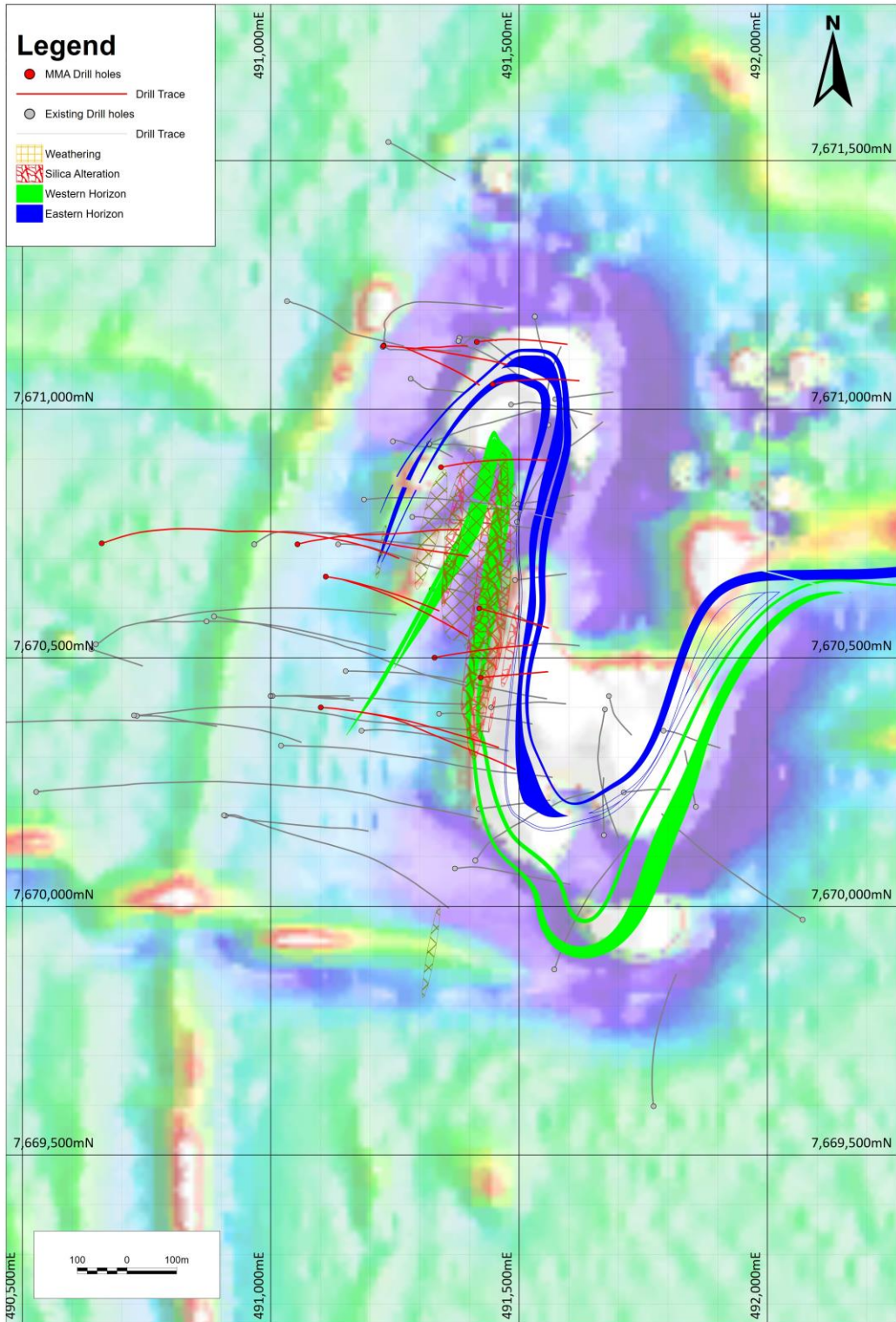
[Figures 2] Cross section MRN23001 viewed facing north highlighting continuity of the Shallow Silver Zone.



[Figure 3] Eastern Lead-Silver long section showing the 2022/2023 drilling completed and in progress on the Maronan Project. Target 1 is now referred to as the Starter Zone. The shallower high-grade silver enriched mineralisation is shown as the Shallow Silver Zone (SSZ).



[Figures 4] Oblique 3D view (looking down to the south east) of Maronan's modelled copper-gold shell (green wireframe) showing the modelled DHEM plate measuring 600 metres x 300 metres (red). Diamond drillholes are shown as grey traces. MRN22005 is shown as a red trace. MRN14004W1 target point for drill testing is shown with a yellow star. Historic drilling intersecting or near-missing the plate shown as yellow traces with previously reported intercepts posted adjacent to the hole number as (Downhole intercept metres / Copper grade % / Gold grade g/t)



[Figure 5] Plan view of 2022/2023 drilling completed and in progress at the Maronan Project with respect to recently updated models of key target horizons at the 0mRL overlain on a vertical gradient magnetic image.

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:

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 MARCH 2023 QUARTERLY ACTIVITIES REPORT

Additional ASX Information

- ASX Listing Rule 5.3.1: Exploration and Evaluation Expenditure during the quarter ending 31 March 2023 was \$1,371,000.
- 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 March 2023, the Company paid \$93,251 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 Mar 2023 \$000
Exploration	11,000	4,190
Expenditure reimbursement	500	500
Expenses of the offer	880	798
Administration costs	1,500	778
Working capital	1,120	326
	15,000	6,592

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 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	(1,371)	(3,937)
	(b) development		
	(c) production		
	(d) staff costs		
	(e) administration and corporate costs	(290)	(632)
1.3	Dividends received (see note 3)		
1.4	Interest received	28	69
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)	178	(83)
1.9	Net cash from / (used in) operating activities	(1,455)	(4,583)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment	(16)	(45)
	(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 (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 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	(16)	(46)

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	9,879	13,037
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,455)	(4,583)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(16)	(46)
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 (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	8,408	8,408

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	8,408	9,879
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)	8,408	9,879

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	(93)
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)	(1,455)
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)	(1,455)
8.4 Cash and cash equivalents at quarter end (item 4.6)	8,408
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	8,408
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	5.8
<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.

28 April 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.