

13 July 2022

Mr Raj Logarajah
Australian Securities Exchange
Level 40, Central Park
152 St Georges Terrace
Perth WA 6000

By email: raj.logarajah@asx.com.au

Dear Raj

Pathfinder Resources Limited: Response to ASX Query Letter

We refer to your letter dated 4 July 2022 (**Letter**). Capitalised terms used in this letter have the meaning given in the Letter unless otherwise defined. Set out below is the response of Pathfinder Resources Limited (**Pathfinder** or the **Company**) to each of the questions in the Letter.

1. Why has the Company been unable to undertake drilling or other sub-surface exploration activities at its King Tut, Diana II or Guille projects?

The Company has been delayed in undertaking drilling as the Company has been unable to obtain the required drilling permit approval from the local government authority.

In Argentina, each province is the owner of the natural resources located in their respective territories and permitting is managed by both the mining and environmental departments of each province. The Company's King Tut project comprising the King Tut exploitation concession, the Guille exploration permit and the Diana II exploitation concession (**King Tut Project**) is entirely located in the La Rioja Province. As previously announced, the Company has been engaging with the Mining Department, Water Department and Environmental Department of the La Rioja Province to obtain the required drilling permit approvals for its King Tut Project (**Drilling Approval**) (refer to announcements dated 25 January 2021, 5 March 2021, 30 April 2021, 16 June 2021, 30 July 2021, 16 August 2021, 23 August 2021, 29 October 2021, 31 January 2022 and 29 April 2022).

At the time of lodgement of the Prospectus, the Company understood that a prerequisite to initiating any field work (which would extend to drilling) was that the Company update its Environmental Impact Assessment (**EIA**) which would then enable the grant of an updated Environmental Impact Statement (**EIS**). The EIS for the King Tut Exploitation Concession had expired in May 2020. The updated EIS was expected to be evaluated through the same administrative process as the original EIA. This process is clearly set out in the Independent Solicitors Report in the Prospectus.

As part of its preparations for conducting drilling on the King Tut Project, the Company was advised that it would need to obtain a Water Use Permit prior to being granted the EIA. An application for a Water Use Permit was submitted on 18 February 2021 (subsequently granted on 15 December 2021).

Since then, at various stages in the process, the La Rioja mining department, water department and environmental departments made numerous additional requests for other permitting applications and supplementary information.

To obtain the required approvals for the King Tut drilling program, the Company has prepared applications for the following permits and approvals (refer to announcement dated 16 June 2021):

- Updated Environmental Impact Assessment (EIA)
- Hazardous Waste Licence
- Registration of the Company as a Generator of Hazardous Waste
- Water Use Permit
- Water Capacity Survey
- Water Management Plan

All requested documentation (as noted above) has been submitted (as noted in the announcement of 16 August 2021).

At various times, restricted movement and access in Argentina due to the COVID-19 pandemic have significantly slowed administrative processing in the country (refer to announcements dated 19 November 2020, 2 December 2020, 30 July 2021, 16 August 2021 and 23 August 2021). In addition, the government departments require applications for any permits to be made in person at their relevant department, which has caused further delays.

Presently we have been advised that the only outstanding approval in order to commence drilling as proposed is the grant of an EIS in relation to the updated EIA lodged by the Company.

2. Please explain the basis upon which the Company indicated in the Prospectus it was going to conduct “significant exploration” and “extensive drilling” at the King Tut Project (as quoted in paragraph B above).

The Company’s strategy, outlined in the Prospectus, was to operate as an exploration and development company focused on mineral exploration and development of commodities including gold, cobalt and other minerals.

The Company intended to expend approximately \$3.34 million of the funds raised under the Prospectus at the King Tut Project, on activities including preliminary on-ground exploration, drilling and project management costs during the two years following the Company’s admission on the ASX (as set out on pages 25 to 26 of the Prospectus). As set out in the Company’s quarterly activity report for the three months ended 31 March 2022 (announced on 29 April 2022), the Company has spent approximately \$1.03 million on these activities, the variance being the balance of funds allocated to drilling. In the Company’s view, it has undertaken “significant exploration” in accordance with the statements it made in the Prospectus.

The basis upon which the Company made the above statements in the Prospectus was as follows:

- As noted in the Independent Geological Report included in the Prospectus, the King Tut Project has excellent potential and could provide a significant series of resources and discoveries if explored in a systematic and qualified way. The IGR noted that mining of the existing King Tut mine may also be possible as most of the known mineralised veins remain underexploited due to limited mining during the mine’s development.
- The King Tut Project is a historic gold and cobalt mining operation, with historical production having occurred on the King Tut and Diana II exploitation concessions (refer to section 6.1 of the Independent Geologist’s Report in the Prospectus and Section 5.5.1 of the Prospectus). The existence of a historic exploitation concession with recorded production inferred that the Company was likely to be able to drill on the King Tut Project.

- The Company engaged Bastias Yacante Abogados (**BYA**) to prepare a legal report in relation to mining rights to be acquired by the Company in conjunction with its IPO (**Independent Solicitor's Report**). BYA was aware that the Company intended to conduct drilling on the King Tut Project.
- In the Independent Solicitor's Report, BYA noted that there was an existing EIA on the King Tut Project, but it needed to be updated prior to initiating any field work (which the Company understood to include the conducting of a drilling program) since the EIS in respect of the King Tut Project expired on 2 May 2020.
- Section 4.12 (Mining Environmental Regime) of the Independent Solicitor's Report highlights the requirement for an EIA under National Law 24,585 prior to the commencement of any mining activity. The EIA is required to be submitted to the relevant Enforcement Authority that each Province determines within the scope of its jurisdiction. The filed EIA is assessed with a technical, scientific and legal-administrative process of analysis and valuation, through which its components, doubts and omissions should be identified, related and ranked, in accordance with policies, judgments and parameters assumed by the Enforcement Authority. Once assessment of the EIA has concluded, the Enforcement Authority shall issue the EIS which is the final document of the assessment, containing the terms under which the mining activity shall be performed in connection with the environment, the community and the authority.
- Specifically, the Independent Solicitor's Report stated that "the updated EIS report is evaluated through the same administrative process as the original EIA". As set out above, the EIA had previously been granted and it was reasonable for the Company to assume that it would be able to be updated, which in turn would allow the Company to conduct drilling on the King Tut Project.
- The Company did not anticipate that there would be any difficulties in updating the EIA as, in addition to the matters noted above, at the time of lodgement of the Prospectus, there had been multiple ASX companies which had carried out exploration and drilling activities in Argentina. Indeed, following lodgement of the Prospectus, the Company conducted site visits, mapping and sampling, (see the announcement released on 25 January 2021 and the quarterly announced on 29 January 2021), without encountering any hurdles from the local authorities.

Whilst the Company was confident that it would be able to carry out the exploration activities as proposed for the reasons summarised above, the Prospectus clearly disclosed the risks which may be applicable to the King Tut Project, which disclosure included the risk factors extracted below:

- Exploration and Operating

The success of the Company will also depend upon the Company being able to maintain title to the mineral exploration permits and licences comprising the King Tut Project and obtaining all required approvals for their contemplated activities. In the event that exploration programmes prove to be unsuccessful this could lead to a diminution in the value of the King Tut Project, a reduction in the cash reserves of the Company and possible relinquishment of one or more of the mineral exploration permits and licences comprising the King Tut Project.

- Regulatory

The Company requires permits from regulatory authorities to authorise the Company's operations. These permits relate to exploration, development, production and rehabilitation activities... Obtaining necessary permits can be a time-consuming process and there is a risk that the Company will not obtain these permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could materially delay or restrict the Company from proceeding with the development of a project or the operation or development of a mine. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in material fines, penalties or other liabilities. In extreme cases, failure could result in suspension of the Company's activities or forfeiture of one or more of the Tenements.

- Mine development

Possible future development of mining operations at the King Tut Project is dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services... No assurance can be given that the Company will achieve commercial viability through the development of the Project.

- Tenure, access and grant of applications

There is no guarantee that current or future tenements or future applications for production tenements will be approved. The Tenements are also at various stages of application and grant. Specifically, the Guille Exploration Permit is subject to renewal, whereby the Company (together with its local advisers and consultants) is to apply to the Mining Authority and provide a 'Statement of Discovery'. There can be no assurance that the tenement applications or renewals that are currently envisaged or pending will be granted (including in relation to the proposed renewal application concerning the Guille Exploration Permit) ... the consequence of being denied the applications for reasons beyond the control of the Company could be significant specifically for the King Tut Project.

- Environmental

Approvals are required for land clearing and for ground disturbing activities. Delays in obtaining such approvals can result in the delay to anticipated exploration programmes or mining activities.

- Government Policy Changes

It is possible that the current system of exploration and mine permitting in Argentina may change, resulting in impairment of rights and possibly expropriation of the Company's properties without adequate compensation.

The risk factors extracted above clearly identify that the Company's contemplated activities in respect of the King Tut Project, including its proposed drilling activities, were subject to and conditional upon the Company being able to obtain all required permits and approvals.

Additionally, the Prospectus clearly noted that the intended use of funds which was illustrated within the Prospectus reflected the Company's current intentions at the time. The use of funds table set out within the Prospectus was qualified by a statement which noted that the manner in which the funds were ultimately applied would potentially be affected by new circumstances and intervening events (including exploration success or failure). The Company reserved the right to alter the way in which funds were applied on this basis. The intervening events that have occurred (including delays in obtaining necessary regulatory approvals for drilling at the King Tut Project) were identified as risk factors within the Prospectus and have resulted to a change in the intended use of funds raised as contemplated by the Prospectus.

3. Please provide specific details (including the progress status) of the activities the Company has so far undertaken in furtherance of the drilling program it committed to pursue at its King Tut Project (the 'Drill Program') in the Prospectus (as noted in paragraph B above) and in its announcements dated 19 November 2020 and 5 March 2021 (as noted in paragraph D and E).

The Company has undertaken significant exploration activities since listing which included carrying out mapping, surveying, sampling, geophysics programs and engaging with advisers. This work was done in preparation for a drilling program.

The Company prepared and planned for the maiden drilling program, by:

1. Designing its drilling program and selecting drillhole sites, as announced on 5 March 2021
2. Appointing a drilling contractor, ConoSur Drilling S.A (formerly Energold Argentina S.A), as announced on 18 March 2021
3. Attending to site works including clearing and repairing access roads during March and April 2021
4. Campsite identification during March 2021
5. Sourcing of local labour during March and April 2021
6. Sourcing of drilling consumables during March and April 2021
7. Obtaining legal advice in relation to the carrying out of the drilling program and approvals from early 2021
8. Submitting an updated EIA and supplementary documentation as noted in the table below

Document	Submission Date	Confirmation Date
EIA	December 2020	Currently outstanding
Hazardous Waste Licence	12 July 2021	16 August 2021
Registration of Company as a Generator of Hazardous Waste	12 July 2021	16 August 2021
Water Use Permit	18 February 2021	15 December 2021
Water Capacity Survey	4 June 2021	15 December 2021
Water Management Plan	31 May 2021	15 December 2021

9. Establishing relationships with respective regulatory groups from December 2020 onwards
10. Continuing engagement with the key stakeholders and community groups in the province. To assist with the development of a comprehensive social management and communication plan, the Company engaged local consulting group, Papi Group Latam Consulting and Mr Miles Lewis, highly respected independent advisers, to assist with this matter
11. Engaging with the Department, Secretary of Mining of La Rioja, Director of Mining and other regulatory departments at both the provincial and federal levels (refer to table above) including attending site visits with members of the government departments in March 2021

12. Speaking with the Australian Ambassador for Argentina and representatives from Austrade seeking their assistance in obtaining the relevant approvals to enable the Company to commence its drilling program (17 March 2022, 25 March 2022, 29 March 2022).

4. Please provide all relevant correspondence/documentation (not for release to the market) the Company has to support the activities the Company has undertaken in furtherance of the Drill Program including correspondence it has engaged in with authorities in Argentina or elsewhere).

The Company's activities included:

Date	Event	Document
18/02/21	Tres Elementos S.A. applied for a Water Use Permit of the "King Tut" Project at the Water and Energy Ministry of La Rioja through File N° G10-1105-4/21	Water Use Folder - Document Number 1
31/03/21	Tres Elementos S.A. extended the application for exploration and mining camp in the King Tut project	Water Use Folder - Document Number 2
31/05/21	Tres Elementos S.A. submitted Environmental and Social Management Plan, in accordance with the requirements of Article 7.1.2 of the General Resolution No. 075/20 of the Water and Energy Ministry of La Rioja	Water Use Folder - Document Number 3
23/06/21	It was notified a resolution dated May 19, 2021 of the General Director of Environmental Impact Assessment of La Rioja through which it was requested the following information: <ul style="list-style-type: none"> Waste management plan for camp and accessory installations Drilling plan Permits and qualifications of art 18 of the Resolution N° 072/18 Personnel training measures Rules for the entry of personnel to the mine Interpretation regarding the quality of the analysed water 	EIA Folder - Document Number 1
01/07/21	Tres Elementos S.A. submitted all the documentation requested by the General Director of Environmental Impact Assessment.	EIA Folder - Document Number 2
01/07/21	Tres Elementos S.A. submitted complementary technical information, in accordance with articles 2, 3, 4, 5 and 6 of Resolution No. 075/20	Water Use Folder - Document Number 4
30/09/21	King Tut S.A. informed that Tres Elementos S.A. assigned the mining rights over King Tut mine and required to be considered as the new operator of the Project King Tut.	EIA Folder - Document Number 3 EIA Folder - Document Number 4
30/09/21	King Tut S.A. informed that Tres Elementos S.A. assigned the mining rights over King Tut mine and required to be considered as the new operator of the Project King Tut	Water Use Folder - Document Number 5
08/11/21	King Tut S.A. handed in an agreement celebrated with the Municipality of Vinchinás, by which the procedure for the discharge of urban solid waste to be generated in King Tut was agreed, in compliance with the request by section N° 18	EIA Folder - Document Number 5 EIA Folder - Document Number 7

Date	Event	Document
	of Resolution No. 072/18 dated April 6, 2018 which approved the EIA for “King Tut” mine.	
10/12/21	King Tut S.A. submitted Resolution No. 2524 by which the Ministry of Water and Energy of La Rioja grants the Water Use Permit for exploration activities at King Tut Project.	EIA Folder - Document Number 8
15/12/21	King Tut S.A. presented resolution No. 2524 to the EIA file No. P4-00148-20. This was a previous requirement to obtain the approval of the environmental impact evaluation, according to Resolution No. 075/20 of the Ministry of Water and Energy of La Rioja	EIA Folder - Document Number 9
15/12/21	The Water Use Permit was approved by Resolution No. 2524/21 issued by the Secretary of Water of La Rioja province, in accordance with the notification received on December 15, 2021. This resolution granted authorization to use water for exploration tasks and for use in the project camp named King Tut, for 60 days from the notice. In same day, this resolution was submitted at Environmental Secretary.	Water Use Folder - Document Number 6
17/12/21	King Tut S.A. requested the suspension of the 60 days granted by Resolution No. 2524/21 until the EIA of King Tut project is approved	Water Use Folder - Document Number 7
28/12/21	The EIA was approved by Resolution No. 408/21 issue by the Secretary of the Environment of La Rioja province, in accordance with the electronic notification received on the same date. This resolution granted the renewal of the environmental impact statement initially approved by resolution No. 072/18 for the exploration stage of the project called King Tut Mine whose owner is the company King Tut S.A.	EIA Folder - Document Number 10 EIA Folder -Document Number 11
29/12/21	The Secretary of the Environment of La Rioja issued a Resolution No. 409/21 by which withdrew the Resolution No. 408/2021 declaring it null because within the EIA report it was missing a favourable technical opinion. Likewise, resolution No. 409/21 orders the issuance of the corresponding technical opinion prior to the issuance of a new resolution.	EIA Folder - Document Number 12 EIA Folder - Document Number 13
13/01/22	King Tut S.A. submitted an appeal for reconsideration against Resolution Nº 409/21 at the Secretary of the Environment due to the existence of a contradiction between Resolution 408/21 and 409/21. According to recitals of Resolution No. 408/21, there is a technical opinion issued by the General Directorate of Environmental Impact Assessment for which it is considered in favor to grant the approval of the E.I.A. In the same resolution we find an opinion from the Directorate of Legal Affairs, which follows the criterion of the technical opinion. But, in Resolution 409/21 it denies the existence of the technical	EIA Folder - Document Number 14

Date	Event	Document
	opinion and for that reason, it revokes 408/21, contradicting what was reported in the resolution that approves the E.I.A.	
04/02/22	The technical representative of King Tut S.A. requested to view the file, but it has not been possible to see the file at the date.	EIA Folder - Document Number 15
11/02/22	Resolution No. 006/22 by which the appeal for reconsideration presented by King Tut S.A. against the withdrew of the EIA updated was rejected, because they considered, by own mistake of the administration, that there was a technical opinion included in the file, but it was not. For this reason, the file returned to the Environmental Assessment Directorate for such technical opinion to be issued.	EIA Folder - Document Number 16 EIA Folder - Document Number 17
25/03/22	King Tut S.A.'s technical representative requested the loan of the file to corroborate whether there was a technical opinion (or if it was one, was performed in due manner), but it was not delivered yet by the Authority.	EIA Folder - Document Number 18

5. Please provide a breakdown of the amounts the Company has so far spent on the Drill Program (up to 30 June 2022).

Up to 30 June 2022, the Company had spent \$149,155 on the drilling program, as illustrated in the table below:

	A\$
Permitting legal advice and services	35,413
Drilling contractor payment	68,084
Geophysics survey	45,658
Total	\$149,155

6. Please comment specifically on the low level of expenditure in the relation to the Drill Program in the Company's quarterly cash flow reports (as noted in paragraph F and G) and how the Company reconciles this with the Drill Program it said it was going to pursue in the Prospectus (as quoted in paragraph B above).

The amount spent on drilling is set out in the response to Question 5 above. As referenced in the responses to Questions 2, 3 & 4 above, the Company experienced unexpected and prolonged delays in receiving the necessary approval to commence its drilling program, which delays have prevented the Company from spending significant funds on drilling at the King Tut Project.

7. If the Company has decided to not continue with the Drill Program (as quoted in paragraph K above), please state that fact, explain why that it has come to such a decision and what it intends to do with the King Tut Project.

As referenced by the Company in its announcements, and in previous correspondence with ASX since late last year, the Company has been attempting to obtain approval to commence drilling with no success and no clear response from the mining authorities in Argentina in relation to the expected timeframe for receipt of the approvals once it became apparent that there were significant delays to the process.

On 18 January 2022, ASX advised the Company that any additional projects which it acquired prior to the Company having expended significant funds on the King Tut Project would constitute a change in nature or scale of its activities.

On 5 May 2022, the Company made submissions to ASX in relation to the acquisition of 3 new projects (**New Projects**), on the basis that the acquisition of these projects would constitute a change in nature or scale of its activities which in turn would require that the Company undertake a capital raising by way of a prospectus. To comply with ASX requirements, the Company's submissions set out a statement of the intended use of any funds raised under the prospectus. Given the delays in obtaining approvals for its drilling program and the lack of clarity as to timing from the Argentinian mining authorities, the Company made a decision not to allocate any funds to an Argentinian drilling program, if ASX approved its submissions for the acquisition of the New Projects.

The Board made this decision on the basis that the advancement of the New Projects represents the best interests of shareholders due to the ongoing delays in Argentina. The Company will seek to maintain and potentially divest the King Tut Project.

ASX has not yet responded to the Company's submissions dated 5 May 2022. For this reason, the Company has not yet made a determination in relation to the King Tut Project.

8. Please confirm that the Company is in compliance with the Listing Rules, and in particular, Listing Rule 3.1.

The Company confirms that it is complying with the Listing Rules.

9. Please confirm that the Company's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of the Company with delegated authority from the board to respond to ASX on disclosure matters.

The Company confirms that this response has been authorised and approved by the Board.

Yours sincerely

Harry Spindler
Company Secretary



4 July 2022

Reference: ODIN50010

Mr Harry Spindler
Company Secretary
Pathfinder Resources Limited

harry.spindler@pathfinderresources.com.au

Dear Mr Spindler

Pathfinder Resources Limited ('Company')

ASX Limited ("ASX") refers to the following:

- A. The Company's admission to the Official List of ASX on 30 October 2020.
- B. The Company's prospectus for its admission lodged on ASX's Market Announcement Platform ("MAP") on 30 October 2020 ("Prospectus"), which stated as follows:

Section 5.3

"As further set out in the Independent Geologist's Report (Annexure A of this Prospectus) and the Independent Solicitor's Report on Tenements (Annexure B of this Prospectus), the King Tut Project consists of:

<i>Tenement description</i>	<i>Tenement no.</i>	<i>Area (Ha)</i>	<i>Registration</i>	<i>Status</i>
<i>King Tut Exploitation Concession</i>	<i>168-L-1939</i>	<i>~6 Ha</i>	<i>Registered</i>	<i>Active</i>
<i>Dianne II Exploitation Concession</i>	<i>66-C-2005</i>	<i>~1,360 Ha</i>	<i>Registered</i>	<i>Active</i>
<i>Guille Exploration Permit</i>	<i>28-L-2011</i>	<i>~1,587 Ha</i>	<i>Registered</i>	<i>Expired</i>

(together, the Tenements).

Notwithstanding all of the Tenements are registered (as set out in the Independent Solicitor's Report on Tenements), the Guille Exploration Permit is currently expired, pending submission of an application for renewal. Such application for renewal is to be made on the reopening of the Mining Authority in Argentina, which is currently closed owing to COVID-19 restrictions in place in the La Rioja Province. It is anticipated that the Mining Authority will be reopened on relaxation of relevant COVID-19 restrictions. Until such time as renewal of the Tenement occurs (or a substitute tenement over the same area is provided), the Company will not have tenure over the relevant area.

The King Tut and Diana II Exploitation Concessions (the primary focusses of the Company) are registered and in good standing. For the purposes of this Prospectus, these are the two primary Tenements on which the Company will focus its exploration program."

Section 5.5

"Overview of the King Tut Project

The King Tut Project is a historic gold and cobalt mining operation located in the La Rioja province on the western boundary of Argentina, close to the Chilean border in the eastern portion of the Andes.

Post-1950's, a mine was developed in the Project area (within the King Tut Exploitation Concession, as described in Section 5.5.1 below), however, there has been no formal exploration or drilling campaign on

the mineralised veins of the Project. All historic exploration work to date has been limited to grab samples and incomplete mapping. Although there is a lack of detailed information from past explorers in relation to the mining completed, the prospect itself is well defined in the area around the old mine workings and, as such, there is sufficient information from which the Company plans to derive an understanding of the potential resource size and scale.

Geologically the Project is located within the Ordovician Suri Formation, a series of sediments, volcanoclastics and volcanics within the highly mineralised Andes Eastern cordillera. Emplacement of the Nunorco granite, acidic hypabyssal units and dolerite dykes has provided potential hydrothermal mineralisation sources throughout the Project area and beyond, with the King Tut Mine and the La Mejicano Au mine having a similar setting geologically within the Famatina Range.

The Project area is accessible (predominantly by sealed roads), has major service centres in the region, and can be explored all year round due to the relatively lower altitude of the eastern cordillera portion of the Andes Mountain range, which ensures that the Project area is not snowed in or flooded.

The Project is 100% owned by TESA and TMSA, which collectively hold the three Tenements (on of which is expired and the tenure subject to renewal). Further details with respect to each of the Tenements is set out below and in the Independent Geologist's Report and Independent Solicitor's Report on Tenements.

The Company proposes to conduct a significant exploration program at the King Tut Project, which program includes budgeting for preliminary on-ground exploration (namely surveying, sampling, geophysics and camp development) and a formal and extensive drilling campaign. Further details of the proposed exploration program are set out in Section 5.7.

King Tut Exploitation Concession

The King Tut Exploitation Concession is located in the North West of Argentina within the La Rioja Province and covers an area of approximately ~6 Ha. The Tenement includes the King Tut Mine, which comprises a series of small underground workings completed at 4 levels and accessed by 2 major drives perpendicular to the mineralised vein structures (specifically, Level 1 and Level 0).

The King Tut Mine within the Tenement area was mined in two periods, with initial mining in the 1950's where exposed Au-Co veins were accessed in the upper slopes, and again in the 1980's where lower levels were accessed by two portals 30m apart vertically. In 1983, an electromagnetic survey was completed and anomalies were found that went along strike of the known mineralised veins, with some cross-cutting features noted to the south and a parallel anomaly to the south west.

Further detail with respect to the King Tut Exploitation Concession (including the mine and historical informal exploration conducted on the Tenement) is set out in the Independent Geologist's Report and the Independent Solicitor's Report on Tenements.

Diana II Exploitation Concession

The Diana II Exploitation Concession encapsulates the King Tut Exploitation Concession and King Tut Mine and is the most northern of the Tenements held in the Project area. The Diana II Exploitation Concession covers an area of approximately 1,360 Ha. The King Tut Mine has vein extensions on the surface that project into the Diana II Exploitation Concession and to the west an area of mineralised breccia which is altered and containing enriched sulphides and anomalous Au.

Further detail with respect to the Diana II Exploitation Concession is set out in section 6.2 of the Independent Geologist's Report and the Independent Solicitor's Report on Tenements.

Guille Exploration Permit

The Guille Exploration Permit covers an area of approximately 1,587 Ha.

The Guille Exploration Permit is a large holding south of the King Tut Mine and is predominantly within the Suri Formation. To the south of the Tenement is the Nunorco granites that form a hard border geologically and also provide a potential source for alteration and mineralisation of the Ordovician aged sediment stack.

Large areas of altered outcrop occur within the La Mesada Creek – Cuchillas Range with Cu, Pb and Ba enriched veins present and known. Historical workings in the area indicates that Pb was mined from surficial scrapes and shallow galleries, and the area has hydrothermal activity on a regional scale. Barite veins within the cherts of the Suri Formation indicate a long-lived hydrothermal system and provides support for mineralisation potential.

The Guille Exploration Permit expired on 20 January 2020 and, pending the submission to the Mining Authority of an application for renewal and a 'Statement of Discovery', the Company plans to restore this Tenement to good standing. As set out in the Independent Solicitor's Report on Tenements, the Mining Authority in the La Rioja Province is closed as at the date of this Prospectus due COVID-19 regulations and restrictions. The Company and TMSA plan to submit the above documents at the first possible instance on reopening, appealing for an exemption to the expiry of the Tenement owing, in part, to COVID-19 restrictions declared in Argentina on 13 March 2020. If such application and Statement of Discovery is accepted by the Mining Authority, the Tenement will be restored. The Company is confident that such process will be successful.

Further detail with respect to the Guille Exploration Permit is set out in section 6.3 of the Independent Geologist's Report and the Independent Solicitor's Report on Tenements."

Section 5.7

"Proposed Exploration Program

Details of the Company's intended exploration programs at the King Tut Project, including tables of proposed expenditure, are contained in the Independent Geologist's Report.

It is currently proposed that the initial exploration budget of the Company for the King Tut Project will be as follows for the initial two (2) financial years from Listing:

<i>Exploration program budget</i>	<i>Year 1</i>	<i>Year 2</i>	<i>Total</i>
<i>Minimum Subscription basis (\$5,000,000)</i>	<i>\$1,017,042</i>	<i>\$1,231,408</i>	<i>\$2,248,450</i>
<i>Maximum Subscription basis (\$6,000,000)</i>	<i>\$1,225,493</i>	<i>\$1,713,098</i>	<i>\$2,938,591</i>

Further details of the Company's intended exploration programs and budgets are set out in section 8 of the Independent Geologist's Report included in Annexure A.

The exploration programs and budgeted expenditure outlined above and in section 8 of the Independent Geologist's Report are subject to modification on an ongoing basis and are contingent on circumstances, results and other opportunities. Expenditure may be reallocated as a consequence of such changes or new opportunities arising and will always be prioritised in accordance with due regard to geological merit and other business decisions related to the Company's activities.

Ongoing assessment of the Company's projects, including the King Tut Project, may lead to increased or decreased levels of expenditure reflecting a change of emphasis. The proposed exploration budget will be spent on granted Tenements and will be subject to modification on an ongoing basis depending on the results obtained from exploration and development activities as they progress and the granting of tenements now in application. The budget is consistent with the stated objectives and the program is warranted and justified on the basis of the historical exploration activity and demonstrated potential for discovery of mineralisation.

The exploration expenditure provided in the Independent Geologist's Report has been prepared based on exploration to be completed on the King Tut and Diana II Exploitation Concessions only. It does not give any indication of possible exploration spend on the Guille Exploration Permit, which is expired and subject to renewal."

Annexure A - Independent Geologist's Report - Section 4.0

"Tenements

As stated above, two Tenements are current within the Project – two (2) Exploitation Concessions and one (1) Exploration Permit intending to be renewed subject to an application being submitted to the relevant mining authority in La Rioja (Figure 2). The agreement formed between Winmar and the vendors of the Target Group Companies ("Vendors") covers the acquisition by Winmar of all Tenements. The Tenements are held by The Target Group Companies outright as follows:

<i>Tenement name/type</i>	<i>Permit holder (100%)</i>	<i>Permit number</i>	<i>Area (Ha)</i>
<i>King Tut – Exploitation Concession</i>	<i>TESA</i>	<i>168-L-1939</i>	<i>5.99 Ha</i>
<i>Guille – Exploration Permit</i>	<i>TMSA</i>	<i>28-L-2011 (expired, subject to renewal)</i>	<i>1,587 Ha</i>
<i>Diana II – Exploitation Concession</i>	<i>TMSA</i>	<i>66-C-2005</i>	<i>1,359.97 Ha</i>

Ongoing legal support to Winmar was completed with regard to the Tenements, meeting Tenement conditions, and Vendor arrangements associated with the Project, primarily due to the licences and agreements being recorded in Spanish."

- C. Pages 25-26 of the Prospectus which stated that the Company intended to apply funds raised from the public offer, together with existing cash reserves, in the next two years following admission to the official list of the ASX as follows:

Funds available	Minimum Subscription (\$) (\$5,000,000)	Percentage of Funds (%)	Maximum Subscription (\$) (\$6,000,000)	Percentage of Funds (%)
Existing cash reserves	308,501	5.81	308,501	4.89
Funds raised from the Public Offer	5,000,000	94.19	6,000,000	95.11
Total	5,308,501	100	6,308,501	100
Allocation of funds				
Preliminary on ground exploration at the King Tut Project	500,986	9.44	598,169	9.48
Drilling at the King Tut Project	1,747,464	32.92	2,340,422	37.10

King Tut Project management costs	400,000	7.54	400,000	6.34
Repayment of debt to creditors	550,000	10.36	550,000	8.72
M&A budget for complementary assets	500,000	9.42	749,859	11.89
Expenses of the Offers	450,000	8.48	510,000	8.08
Administration costs	700,000	13.19	700,000	11.10
Working capital	460,051	8.67	460,051	7.29
Total	5,308,501	100	6,308,501	100

- D. The Company's announcement entitled "King Tut Exploration Activities Commencing" lodged on MAP on 19 November 2020 which disclosed that the maiden drill program at the King Tut Project was currently scheduled to commence in first quarter of 2021.
- E. The Company's announcement entitled "Maiden Diamond Drilling Program Update" lodged on MAP on 5 March 2021 which the Company disclosed that:
- The maiden diamond drilling program was scheduled to commence at King Tut in late March 2021;
 - Company was in advanced negotiations with an experienced local drilling contractor;
 - A total of 6 diamond drill holes planned, equating to approximately 1,000 metres over an 8-week period; and
 - The results were expected to enable the estimation of potential initial JORC 2012 Inferred Resource
- F. The Company's announcement entitled "Quarterly Activities Report – Updated" for the period ended 31 December 2021 lodged on MAP on 31 January 2022 in which the Company disclosed, among other things, that that the Company had spent \$15,042 on drilling at the King Tut Project and continued to progress the drill program at the King Tut Project as noted below:
- "During the December Quarter, the Company continued to progress permitting for its maiden diamond drilling program. Intensive engagement with government departments has responded to each of the new requirements presented by the government of la Rioja State however, no successful outcome has been received to date. Community outreach programmes continued to demonstrate the economic and social upliftment that mining offers to the community.*
- As part of the permitting of the maiden Diamond Drill Program the team have continued engagements with key stakeholder and community groups in the province. To assist with the development of a comprehensive Social Management and Communication Plan (SMCP) the Company has contracted a local consulting group, Papi Group Latam Consulting, who have extensive experience with mining operations in Argentina. Consultation with the la Rioja government are ongoing and the Company expects to reach an assessment of the drill program by the end of the March 2022 quarter"*
- G. The Company's announcement entitled "Quarterly Activities Report – Updated" for the period ended 31 March 2022 lodged on MAP on 29 April 2022 which disclosed, among other things, that the Company had

spent \$45,658 on drilling at the King Tut Project for the quarter and continued to progress the drill program at the King Tut Project as noted below:

“During the March Quarter the Company continued to progress permitting for its maiden diamond drilling program at the King Tut Project.

The company advanced its engagement with La Rioja State government departments, in addition to its community outreach programmes aimed at highlighting the economic and social upliftment that King Tut may offer to the local population.

The company continued to develop a comprehensive Social Management and Communication Plan (SMCP) with the support of a local consulting group, Papi Group Latam Consulting, who have extensive experience with mining operations in Argentina”

Proposed Acquisition

H. On 11 March 2022, the Company informed ASX that it was considering acquiring an 80% interest in an Austrian zinc-germanium-lead-fluorite project referred to as the Bleiberg Project (‘Proposed Transaction’) and requested confirmation from ASX on whether Listing Rule 11.1.3 would apply to the Proposed Transaction.

I. On 6 April 2022, ASX provided the Company confirmation that Listing Rule 11.1.3 will apply to the Proposed Transaction and that PF1 will be required under Listing Rule 11.1.3 to comply with all of the requirements of chapters 1 and 2 of the Listing Rules (‘Re-Compliance’) before it completes the Proposed Transaction.

J. On 4 May 2022, as part of the Re-Compliance process, the Company submitted an application for in-principle advice (‘Original Application’) in which it stated

“The Company has undertaken considerable community and stakeholder relations work in local communities, and the Company’s activities and future plans have been very supported by these communities. The Company intends to continue with its activities at the King Tut Project by commencing a drilling program following receipt of the relevant regulatory approvals”

K. When asked for clarification on the above statement in the Original Application by ASX, the Company changed its position on the King Tut Project and provided an updated application on 8 June 2022 which stated that:

“On the basis that the in-principle application is approved by ASX, we are instructed that the Company has no intention of carrying out any further exploration beyond minimum expenditure in any circumstances.

Assuming successful readmission to ASX, the Company intends to apply a small amount of funding (being \$100,000 over the two years following re-admission of the Company to the Official List) towards the King Tut Project.

These funds are intended to enable the Company to maintain the exploitation concessions in good standing over this period.

The Company considers that its resources are better utilised on its proposed new projects rather than on the King Tut Project given the delays in Argentina it has encountered to date. It has not considered divesting the King Tut Project but may at some point consider this option.

The Company acknowledges that it will be unable to expend funding on the King Tut Project in excess of this amount over the period, without further consultation with ASX and/or shareholder approvals being obtained.”

Request for Information

Having regard to the above, ASX asks PF1 to respond separately to each of the following questions and requests for information:

1. Why has the Company been unable to undertake drilling or other sub-surface exploration activities at its King Tut, Diana II or Guille projects?
2. Please explain the basis upon which the Company indicated in the Prospectus it was going to conduct “significant exploration” and “extensive drilling” at the King Tut Project (as quoted in paragraph B above).
3. Please provide specific details (including the progress status) of the activities the Company has so far undertaken in furtherance of the drilling program it committed to pursue at its King Tut Project (the ‘Drill Program’) in the Prospectus (as noted in paragraph B above) and in its announcements dated 19 November 2020 and 5 March 2021 (as noted in paragraph D and E).
4. Please provide all relevant correspondence/documentation (not for release to the market) the Company has to support the activities the Company has undertaken in furtherance of the Drill Program including correspondence it has engaged in with authorities in Argentina or elsewhere).
5. Please provide a breakdown of the amounts the Company has so far spent on the Drill Program (up to 30 June 2022).
6. Please comment specifically on the low level of expenditure in the relation to the Drill Program in the Company’s quarterly cash flow reports (as noted in paragraph F and G) and how the Company reconciles this with the Drill Program it said it was going to pursue in the Prospectus (as quoted in paragraph B above).
7. If the Company has decided to not continue with the Drill Program (as quoted in paragraph K above), please state that fact, explain why that it has come to such a decision and what it intends to do with the King Tut Project.
8. Please confirm that the Company is in compliance with the Listing Rules, and in particular, Listing Rule 3.1.
9. Please confirm that the Company’s responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of the Company with delegated authority from the board to respond to ASX on disclosure matters.

In providing this information, ASX would remind you that an officer or employee of a listed entity who gives, or authorises or permits the giving of, materially false or misleading information to ASX:

- knowingly, breaches section 1309(1) of the Corporations Act, which is a criminal offence punishable by a fine of up to 200 penalty units and/or imprisonment for up to 5 years; or
- without taking reasonable steps to ensure that the information was not false or misleading, breaches section 1309(2) of the Corporations Act, which is a criminal offence punishable by a fine of up to 100 penalty units and/or imprisonment for up to 2 years.

When and where to send your response

This request is made under, and in accordance with, Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than **5.00 p.m. AWST on Monday, 11 July 2022**.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, the Company’s obligation is to disclose the information ‘immediately’. This may require the information to be disclosed before the deadline set out in the previous paragraph and may require the Company to request a trading halt immediately.

Please be advised that it is likely that ASX have further queries once it has received your response to the above queries. We will advise you on this accordingly.

If you have any questions in relation to the above, please do not hesitate to contact me.

Yours sincerely

Raj Logarajah
Adviser, Listings Compliance (Perth)