



## Quarterly Activities Report for the Period Ending 31 March 2023

Tombola Gold Ltd (Administrators, Receivers and Managers Appointed) ("**Tombola**", or the "**Company**"), provides an overview of the Company's activities for the period ending 31 March 2023 ("**Quarter**", "**Reporting Period**").

### OPERATIONAL SUMMARY

- **Crushing was recommenced during the Quarter at the third-party GAM plant after the mobilisation of a new crusher to replace the unit that suffered a catastrophic failure in December 2022.**
- **Output from gold pours during the Quarter were refined by the Australian Bullion Company, realising approximately \$2 million in aggregate gross revenue.**
- **Mill recoveries were approximately 90% at the GAM, although gold production proved lower than modelled, resulting in a smaller than predicted operational surplus and cash flow for the Quarter.**
- **Asset Sale Agreement originally executed in September 2022 with True North Copper Pty Ltd was mutually terminated. Option Agreement executed for purchase of Wynberg project.**

### CORPORATE SUMMARY

- **The Company remained suspended from ASX quotation whilst it initially worked towards the rectification of issues encountered with the crushing circuit whilst processing gold using the GAM Plant under a third-party lease arrangement, and then worked towards compliance with various Listing Rules to the satisfaction of ASX.**
- **Short-term debt facility secured for \$4.25m in February 2023 facilitating the recommencement of production, and providing the Company with working capital. Repayment scheduled from anticipated operational revenues.**
- **Renegotiation and deferral of financial obligations associated with the Lorena CIL acquisition.**

### OPERATIONAL DETAILS

#### GAM Plant Gold Pours

During the Quarter, Tombola achieved a number of pours generating approximately \$2 million in aggregate gross revenue. However, recovered gold grades during the Quarter were lower than forecast based on the grade control sampling results (actual recovered of 1.0 g/t Au vs forecast 2.2-2.3 g/t Au). This resulted in a lower than expected operational surplus and cash flow outcome.

The reasons for the lower grades than predicted from the grade control sampling results were not definitively clear (noting that final grade reconciliations could not be made at that time), but there appeared to have been additional dilution during mining, coupled with a greater orebody complexity than interpreted in the ore resource estimations (understanding that the mineralisation consisted of narrow sub-vertical vein gold lodes).

Processing at the GAM plant ceased in early April 2023 due to the pending cessation of the lease period, as well as the mitigating factors of gold grade, mechanical difficulties and wet season rainfall events. A total of 49,929 tonnes of ore was processed during the periods during which the GAM plant was operational from December 2022 to March 2023.

### **South Australian Burra Project**

On 14 March 2023, following meetings held with the SA Dept of Energy and Mining, and as part of the tenement review / renewal process, it was agreed that the Company (via subsidiary Ausmex SA) was required to make a compulsory relinquishment of various areas within the Burra portfolio. These areas were mostly from the less prospective western part of the tenement portfolio where limited work had been carried out.

The Company retained the key strategic areas of interest along the highly prospective Burra / Princess Royal corridor, and to the east in the equally prospective Delamerian (Nackara Arc) buried under younger sedimentary cover. These areas were the subject of the technical report by the Company's third-party consultant Ken Collerson (refer ASX release of 29 March 2022).

Whilst the total area under tenure was reduced from 6,561km<sup>2</sup> to 3,565km<sup>2</sup>, the Company's forward exploration strategy and work plans for Burra were not materially impacted.

As part of the tenement reduction process, the Company's annual expenditure arrangements were significantly reduced to a total of \$1,220,000 for the period from 1 April 2022 to 31 March 2024.

As part of this tenement and activity review with the Department of Energy and Mining in SA, the previously signed Accelerated Discovery Initiative (ADI) Funding Agreement (11 November 2020) between Ausmex SA and the Department of Energy and Mining that provided a reimbursable grant to the Company of \$300,000 for a combination of geophysics and drilling to be carried out on the ground, was terminated due to the expiry of timeframes within which the activities were to be carried out. No payments of funding were made to Ausmex SA, and no costs were incurred in relation thereto.

Full details are contained in the Company's announcement of 14 March 2023. The agreed changes to the South Australian tenement areas are reflected in the Appendix to this Quarterly.

## **CORPORATE DETAILS**

### **Short-term Debt Facility**

Due to the downtime in processing from the operational issues encountered, the Company's cashflows for the period from December 2022 were interrupted, whilst holding costs and overheads continued to be incurred. Accordingly, on 20 February 2023, Tombola announced that it had negotiated a short-term secured debt facility of \$4.25 million to fund the recommencement of production and to provide the Company with working capital. The loan had a 90 day term and was originally repayable on 24 April 2023, together with interest of \$850,000. The Company also agreed to issue the lenders with a total of 42.5m unlisted options exercisable for a 3-year period at 5 cents each.

The Company intended to prepare a Cleansing Prospectus to facilitate the issue of the lender options and any other securities. The loan contained a number of restrictive covenants, including that the Company maintain a minimum cash balance of \$500,000. A fuller summary of the terms of the loan transaction is contained in Appendix A to the Company's ASX announcement of 20 February 2023.

Based on production modelling for the operation of the GAM plant, the Company intended to repay the debt facility through the sale of gold produced from the processing of ore stockpiled at the GAM plant. The Company's Managing Director also continued to work on alternative refinancing arrangements.

## **Amendments to Lorena CIL Plant Acquisition Agreement**

On 20 February 2023, Tombola announced that it had entered an agreement to vary the terms of the acquisition agreement with Chinova Resources Pty Ltd (**Chinova**) approved by shareholders on 26 August 2022. The variation extended the timeframe for payment of \$4.5m (inclusive of GST) for the acquisition of the Lorena CIL Plant from 27 December 2022. Under the revised arrangements, the final instalment of \$3.5m was deferred through to 27 September 2023.

A payment of \$400,000 was made on 27 January 2023, with a further instalment of \$600,000 payable on 27 March 2023. Tombola agreed to pay 15% interest per annum on the remaining \$3.5 million commencing from 1 April 2023.

Tombola granted the seller a charge and mortgage over Mining Lease 7147, Mining Lease 90192, Mining Lease 90193, Mining Lease 90194, Mining Lease 90195, Mining Lease 90196 and Exploration Permit for Minerals 18189s to secure payment of the amounts owing. The Company intended to fund the March 2023 \$600,000 payment from project cashflow or from additional debt or equity.

Full details are outlined in the Company's ASX release of 20 February 2023.

## **POST MARCH 2023 QUARTER END**

### **True North Tenement Acquisition Restructure**

On 12 April 2023, the Company announced that the asset sale arrangements with True North Copper Pty Ltd (TNC) as originally announced on 16 September 2022, which had yet to settle pending finalisation of a number of pre-completion deliverables (such as landholder agreement assignments), was mutually terminated. As part of the negotiations, the parties reached consensus on a restructured transaction.

The Company duly executed a Deed of Termination with TNC which terminated the previous Asset Sale Agreement as announced to the market on 16 September 2022. The Company, its subsidiary Tombola Tenements Pty Ltd (Tombola Tenements) and TNC also executed an Option Deed whereby Tombola Tenements was granted an option to purchase a 100% interest in EPM12409 and ML100111 (Wynberg Tenements), together with all documents, information and material contracts in relation to them, for \$2,000,000 plus GST (if applicable), payable in cash.

Accordingly, under the revised transaction arrangements, the Company would no longer acquire an interest in the Wallace Project (ML 1000777 and ML 90236) or have any interest in its resources.

### **Short-term Debt Facility – Revised Arrangements**

On 27 April 2023, the Company repaid an initial \$500,000 to its secured creditor (Vaspip 2 Pty Ltd) in return for an extension to the due date for the balance of its secured loan to 9 May 2023. Interest and costs continued to accrue through until final settlement under the terms of the facility announced on 20 February 2023.

### **Board and Management Changes**

Executive Directors Rod Watt and Trevor Coombes both resigned on 27 April 2023. The Company's CFO (in November 2022) and contract Company Secretary (in January 2023) had both previously provided their resignations, but due to the Company's circumstances over the past five months, no suitable replacements could be secured and engaged.

## **Appointment of Administrators and Receivers**

On 15 May 2023 the Company's Board of Directors appointed Simon Cathro and Andrew Blundell (of Cathro & Partners Pty Ltd) as Joint and Several Administrators (Administrators) of the Company and its subsidiaries. At the same time, the Company's secured creditor (Vaspi 2 Pty Ltd) appointed Receivers & Managers to act on its behalf under its security arrangements.

The Board made the decision to appoint Administrators was precipitated by a run of poor operational and financial results encountered via the GAM Plant, its mechanical failure, and the poor gold recovery rates experienced, with only circa 1g/t recovered from processing due to dilution being higher than anticipated based on the Company's pre-processing ore test results. In the months leading up to the decision to appoint Administrators the Company had been in active dialogue with a number of parties regarding a potential refinance of its debt facility or other corporate actions, but an agreed path forward failed to emerge.

The effect of appointing Administrators, including the period in which the Company is subject to a Deed of Company Arrangement (DOCA), impacts and restricts the powers and duties of its Directors. From the time the Administrators and the Receivers were appointed, the Company's corporate and operational activities ceased, and the mine and operational site placed into care and maintenance.

**This announcement was authorised by the Managing Director.**

**For further enquiries:**

**Byron Miles**

**Managing Director**

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## APPENDIX - TOMBOLA TENEMENT SCHEDULES

Table 1 - Cloncurry Projects, QLD Tenements

Tenement	Project Name	Holder	Tombola Beneficial Interest (%)	Grant Date	Expiry Date	Area (EPM km <sup>2</sup> ) (ML ha)	Status
<b>EPM 14163</b>	White Range #2	QMC Exploration Pty Ltd	80	19/10/2004	18/10/2022	17	Granted
<b>EPM 14475</b>	White Range #4	Spinifex Mines Pty Ltd	80	27/06/2005	26/06/2025	36	Granted
<b>EPM 15858</b>	Sunny Mount	QMC Exploration Pty Ltd	80	23/10/2008	22/10/2026	17	Granted
<b>EPM 18286</b>	Elder Creek	QMC Exploration Pty Ltd	80	14/01/2013	13/01/2022	10	Renewal lodged
<b>EPM 27763</b>	Mt Freda West	Ausmex Resources Pty Ltd	80	23/9/2021	23/9/2026	85	Granted
<b>ML 2517</b>	Answer	Tombola Gold Limited	100	01/12/1973	30/11/2025	8.09	Granted
<b>ML 2541</b>	Belgium	Tombola Gold Limited	100	01/02/1974	31/01/2031	4.05	Granted
<b>ML 2549</b>	The Trump	Tombola Gold Limited	100	01/02/1974	31/01/2031	12.14	Granted
<b>ML 2741</b>	Mt Freda	Spinifex Mines Pty Ltd	80	29/05/1986	31/05/2028	3.80	Granted
<b>ML 2742</b>	Evening Star	Spinifex Mines Pty Ltd	80	29/05/1986	31/05/2028	8.09	Granted
<b>ML 2750</b>	Evening Star North Extd	Spinifex Mines Pty Ltd	80	26/01/1989	31/01/2028	5.14	Granted
<b>ML 2752</b>	Mt Freda Extd	Spinifex Mines Pty Ltd	80	23/02/1989	29/02/2028	116.48	Granted
<b>ML 2763</b>	Evening Star North	Spinifex Mines Pty Ltd	80	08/06/1989	30/06/2028	8.00	Granted
<b>ML 100201</b>	Golden Mile	Ausmex Resources Pty Ltd	93.72	27/07/2021	27/07/2031	116	Granted

Table 2 - Burra Project, SA Tenements

Tenement	Project Name	Registered Holder	Tombola Beneficial Int (%)	Grant Date	Expiry Date	Old Area (km <sup>2</sup> )	New Area (km <sup>2</sup> )	Status
EL 5881	Burra	Ausmex SA Pty Ltd	100	04/11/2016	Renewal Pending	970	902	Renewal Pending
EL 6101	Burra East	Ausmex SA Pty Ltd	100	25/01/2018	Renewal Pending	929	929	Renewal Pending
EL 6102	Burra North West	Ausmex SA Pty Ltd	100	25/01/2018	Relinquished	990	Nil	Relinquished
EL 6103	Worlds End South	Ausmex SA Pty Ltd	100	25/01/2018	Relinquished	986	Nil	Relinquished
EL 6116	Burra Far South	Ausmex SA Pty Ltd	100	02/03/2018	Relinquished	128	Nil	Relinquished
EL 6158	Riverton	Ausmex SA Pty Ltd	100	22/05/2018	Relinquished	986	Nil	Relinquished
EL 6201	Worlds End	Ausmex SA Pty Ltd	100	20/07/2018	19/07/2023	818	818	Granted
EL 6305	Hansborough Area	Ausmex SA Pty Ltd	100	08/02/2019	Relinquished	190	Nil	Relinquished
EL 6306	Tarlee Area	Ausmex SA Pty Ltd	100	08/02/2019	Relinquished	199	Nil	Relinquished
EL 6386	PNX Bagot Well	Ausmex SA Pty Ltd	100	05/08/2019	Relinquished	71	Nil	Relinquished
EL 6430	PNX Washpool	Ausmex SA Pty Ltd	100	10/11/2019	Relinquished	92	Nil	Relinquished
EL 5874	PNX Burra West	Ausmex SA Pty Ltd	100	25/07/2016	24/07/2027	69	69	Granted
EL 5910	PNX Spalding	Ausmex SA Pty Ltd	100	02/01/2017	Relinquished	157	Nil	Relinquished
EL 5918	PNX Princess Royal	Ausmex SA Pty Ltd	100	23/11/2016	Renewal Pending	314	257	Renewal Pending
EL 6150	PNX Burra North	Ausmex SA Pty Ltd	100	06/03/2012	Renewal Pending	300	300	Renewal Pending
EL 6326	PNX Burra Central	Ausmex SA Pty Ltd	100	24/02/2019	23/02/2024	84	84	Granted
EL 6327	PNX Mongolata	Ausmex SA Pty Ltd	100	10/03/2019	09/03/2024	60	60	Granted
EL 6834	Burra	Ausmex SA Pty Ltd	100	19/09/2022	18/09/2028	146	146	Granted
						<b>6,561km<sup>2</sup></b>	<b>3,565km<sup>2</sup></b>	

## Appendix 5B

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

Name of entity

Tombola Gold Limited (Administrators, Receivers and Managers Appointed)

ABN

62 148 860 299

Quarter ended ("current quarter")

31 March 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	2,049	2,549
1.2 Payments for		
(a) exploration & evaluation	(45)	(1,275)
(b) development	-	-
(c) production and mining costs	(4,528)	(12,784)
(d) staff costs	-	-
(e) administration and corporate costs	(546)	(1,367)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	8
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	95
1.8 Fees receivable (refer Financial Report 30 June 2020)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(3,068)</b>	<b>(12,774)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	(2,414)
(c) property, plant and equipment	(444)	(1,504)
(d) exploration & evaluation	-	-
(e) investments	-	-
(f) other non-current assets – surety	-	-

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)	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(444)</b>	<b>(3,918)</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	(3)	8,534
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	4,008	4,008
3.6 Repayment of borrowings	(163)	(163)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
<b>3.10 Net cash from / (used in) financing activities</b>	<b>3,842</b>	<b>12,379</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period	439	5,082
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(3,068)	(12,774)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(444)	(3,918)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	3,842	12,379



<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>769</b>	<b>769</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	769	439
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>769</b>	<b>439</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	195
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.*

The amounts reported in item 6.1 relate to payments made to Directors, including executive and non-executive fees for the quarter.

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	4,250	4,087
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
<b>7.4 Total financing facilities</b>	<b>4,250</b>	<b>4,087</b>
<b>7.5 Unused financing facilities available at quarter end</b>		<b>4,087</b>
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.		
<p>During the March 2023 Quarter the Company negotiated a short-term secured debt facility for \$4.25 million to fund the recommencement of production and to provide the Company with working capital.</p> <p>The loan had a 90 day term and was repayable on 24 April 2023 together with interest of \$850,000. Full details are outlined in the March 2023 Quarterly Activities Statement.</p> <p>During the period repayments of \$163k were made. The loan was secured with PPSRs being placed across the companies and its subsidiaries and some mining tenements.</p>		

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	3,069
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)	3,069
8.4 Cash and cash equivalents at quarter end (item 4.6)	769
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	769
<b>8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	<b>0.25</b>
<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?	
<p>Answer:</p> <p>Subsequent to period end the Company was unable to obtain additional funding and combined with lower than forecast operational cashflows for the period (as outlined in the Quarterly Activities Report) entered into administration and receivership.</p>	

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

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

Refer 8.8.1. During the March 2023 Quarter, the Company expected the operational cash flows derived from gold production in Queensland would provide the required level of funding for the Company to meet its obligations and to provide an opportunity for refinancing.

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

No refer 8.8.1. The Company entered administration and receivership in the June 2023 Quarter.

*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.

23 April 2024

Date: .....

Byron Miles, Managing Director

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.