



TENNANT MINERALS NL

Quarterly Activities Report for the Period Ended 30 June 2021

Tennant Minerals NL (ASX: TMS) (“**Tennant**” or the “**Company**”) is pleased to report its activities for the quarter ended 30 June 2021.

TENNANT MINERALS NL

ASX ANNOUNCEMENT

29 July 2021

Board:

Matthew Driscoll

Non-Executive Chairman

Gino D’Anna

Non-Executive Director

Michael Scivolo

Non-Executive Director

Neville Bassett

Non-Executive Director

Capital Structure:

465.38 million Shares

20.277 million Options
@ \$0.10 exp 17/08/21

307.5 million Options
@ \$0.03 exp 23/04/24

ASX Code: TMS

Highlights:

- Ongoing technical review of the geological and geophysical exploration data relevant to the Barkly Gold-Copper Project, located in the Northern Territory, Australia
- Final collar locations selected and drill design completed for the Barkly project with drilling to initially focus on the Blue Bird Prospect
- Drilling program will comprise a combination of Reverse Circulation (RC) and Diamond Drilling of between 5 and 7 holes for total drill depth of 1,000m – 1,500m – drilling is anticipated to commence during early August 2021
- An exploration and land access / usage agreement has been executed with station owner pursuant to recently adopted Northern Territory (NT) regulations
- Barkly is located approximately 45km east of the town of Tennant Creek in the Northern Territory and is prospective for high-grade Tennant Creek-style gold-copper-bismuth mineralisation, similar to that discovered and mined at the nearby Peko Mine
- Diamond drilling program completed during 2020 comprising seven (7) holes for 1,169.5m targeting Tennant Creek style copper-gold mineralisation at the advanced Bluebird Prospect
 - Mineralisation remains open in all directions and the Company is planning to test the down-dip / plunge extensions of this high-grade mineralised zone
- Multiple intersections of high-grade copper and gold mineralisation were encountered by the RC drilling program at Bluebird
- Significant intersections from the 2020 program included:
 - **BBRC019 intersected 15m @ 3.46% Cu, 0.61g/t Au from 172m**
 - **BBRC015 intersected 20m @ 1.79g/t Au, 1.67% Cu from 156m**
- Hole BBRC019 **ended in gold mineralisation with 1m @ 3.9g/t Au and 4.8% Cu end of hole**
- Mineralisation remains open along strike to west and at depth from hole BBRC019
- A number of additional geophysical targets remain to be tested along the mineralised trend

During the Quarter ended 30 June 2021, the Company continued with its review of the geological and geophysical data that relates to the Barkly and Babbler project, part of the 100% owned Barkly Copper Gold Project, located in the Northern Territory. This geological review was directed towards the next stage of exploration at the project which is set to commence during early August 2021.

Finalisation of the drill design and selection of the final drill collar locations has now been completed, with the drilling to comprise of a combination of Reverse Circulation (RC) and Diamond Drilling. This will enable the Company to ensure good recovery of the drill core and will also allow the Company to drill to the selected drill depth and hit the target mineralised zones.

During the Quarter ended 30 June 2021, the Company also executed an exploration and land access / usage agreement with the station owner at the Barkly project area pursuant to the recently adopted Northern Territory regulations. This signals a significant milestone for the Company and enables a clear path forward for the continued exploration at the project.

The drilling program is set to commence during early August 2021 and will comprise of between 5 and 7 drill holes for total drill depth of between 1,000m and 1,500m.

Appendix 5B Cashflow commentary

In Payments to related parties of the entity and their associates (refer to 6.1), the \$247,000 payment refers to the payment of up to 9 months of accrued Non-executive fees (\$210,000) and Director consulting fees (\$37,000) in connection with the recapitalisation and re-quotation of TMS on ASX.

Cash outflows from operating activities for the quarter were \$0.9M. All payments were for accrued costs over the last 3 quarters in respect to exploration consultancy, director fees and corporate and administration costs. Payments represented one-off accrual of costs that were paid post recapitalisation of TMS which included all issues in accordance with a prospectus dated 31 March 2021 and a supplementary prospectus dated 6 April 2021 as announced to ASX on 30 April 2021 raising \$2.6M in funds before costs of \$141k.

Repayment of loans of \$80,000 including principal repayment and fees were settled during the quarter that were previously advanced to enable the Company to partly fund its recapitalisation strategy.

Cash and cash equivalents as at 30th June 2021 were \$1.5M.

The Company will provide shareholders with further updates.

*****ENDS*****

Contact and Authorisation

This release was authorised by the Board of TMS

For further information please contact:

Matthew Driscoll
Non-Executive Chairman
M: +61 417 041 725

ABOUT THE BARKLY PROJECT

The Barkly Project is located approximately 45km east of the town of Tennant Creek in the Northern Territory and comprises two Exploration Licences, being EL 28620 (Barkly Project) and EL 30701 (Babbler Project) located in central Northern Territory, south of the Barkly Highway. The Barkly Project comprises two granted Exploration Licences EL28620 and EL30701. The Barkly Project is considered highly prospective for magnetite hosted gold-copper similar to other deposits found elsewhere in the Tennant Creek Goldfield.

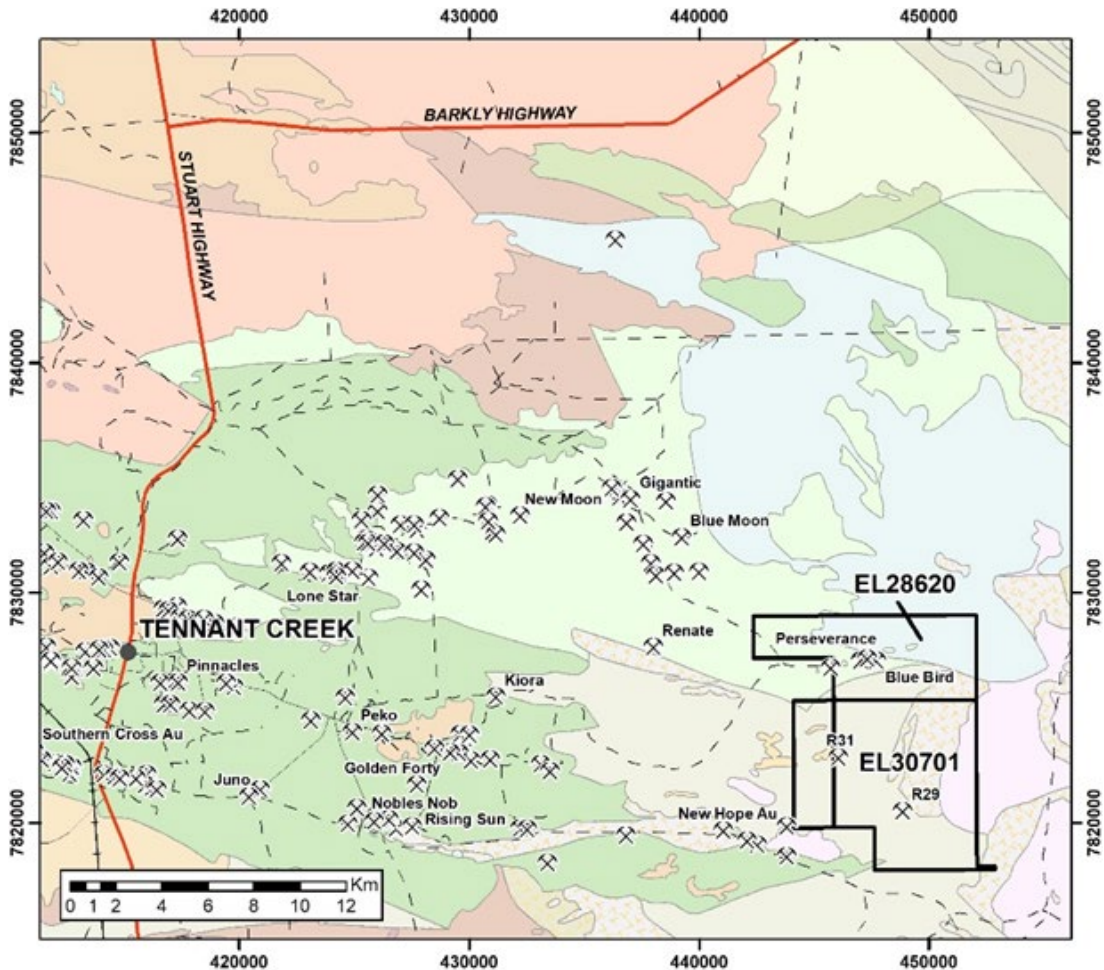


Figure 1: Barkly Project location plan

The current exploration focus of the Company is the Barkly Project.

Ground magnetic and gravity surveys followed by soil geochemistry focussed attention on the Bluebird prospect which is a small outcropping ironstone body pitted by historic mining and prospecting. RAB drilling programs were conducted in 2005 and 2006 intersecting hematite ironstone and hematite-chlorite alteration over a 600m strike length with anomalous copper, gold and bismuth. RC and diamond drilling programs were conducted between 2014-2016 by Blaze International Exploration¹. Significant intersections include: **20m @ 8.17g/t Au from 157m in BBDD002¹** and **16m @ 3.02% Cu, 0.65g/t Au from 139m in BBDD004¹**.

Recent drilling program at the Barkly Project

¹ Refer to ASX Announcement dated 24 September 2019 released by Blina Minerals NL and titled "STRATEGIC ACQUISITION OF HIGH-GRADE GOLD-COPPER PROJECT" released by the Company on the ASX announcement platform.

The Barkly-Babbler Project is considered highly prospective for magnetite hosted gold-copper similar to other deposits found elsewhere in the Tennant Creek Goldfield. A reverse circulation drilling program comprising seven (7) holes for 1,169.5m was recently completed at the advanced Bluebird Prospect.

The holes were drilled to in-fill and extend previous drilling that intersected high-grade copper-gold mineralisation within an ironstone unit on a west-northwest trending, steeply south dipping fault zone. Significant results from the drill program included²:

BBRC0015 20m @ 1.79g/t Au, 1.67% Cu from 156m²

Incl. 10m @ 2.87g/t Au, 2.32% Cu²

BBRC0019 15m @ 3.46% Cu, 0.61g/t Au from 172m²

Incl. 4m @ 6.28% Cu, 0.24g/t Au from 175m²

and 1m @ 4.80% Cu, 3.95g/t Au from 186²

(finishing in mineralisation at end of hole)

Significantly, drill hole BBRC0019 was drilled below BBRC013 which was previously the deepest and most westerly hole drilled at Bluebird. The hole intersected strongly hematite altered siltstone and ironstone from 172m to 187m at which depth the hole was abandoned due to in-hole caving. The hole ended in mineralisation with the last metre containing 3.9g/t Au and 4.8% Cu.²

Several of the other holes were also abandoned due to in-hole caving prior to reaching the mineralised zone or target depth. The difficult drilling conditions are caused by brecciated ironstone in the fault zone in combination with high water in-flow rates.

Refer to ASX Announcement dated 18 March 2020 released by the Company on the ASX announcements platform and titled "High-Grade Copper and Gold Intersected in Drilling Program at Bluebird".

The Bluebird Prospect has a prominent aeromagnetic and gravity anomaly along a west-north-west fault trend. At the surface the prospect is marked by an ironstone that forms a low hill with several shallow workings. At the surface the ironstone has low levels of gold and copper because of strong leaching that extends to a depth of over 100m. High copper and gold values have been intersected at a supergene enriched zone at a depth of approximately 120-150m vertical. Bluebird is one of several coincident magnetic and gravity anomalies along the fault. Previous drilling has been shallow reconnaissance style and is unlikely to have penetrated the strongly leached zone.

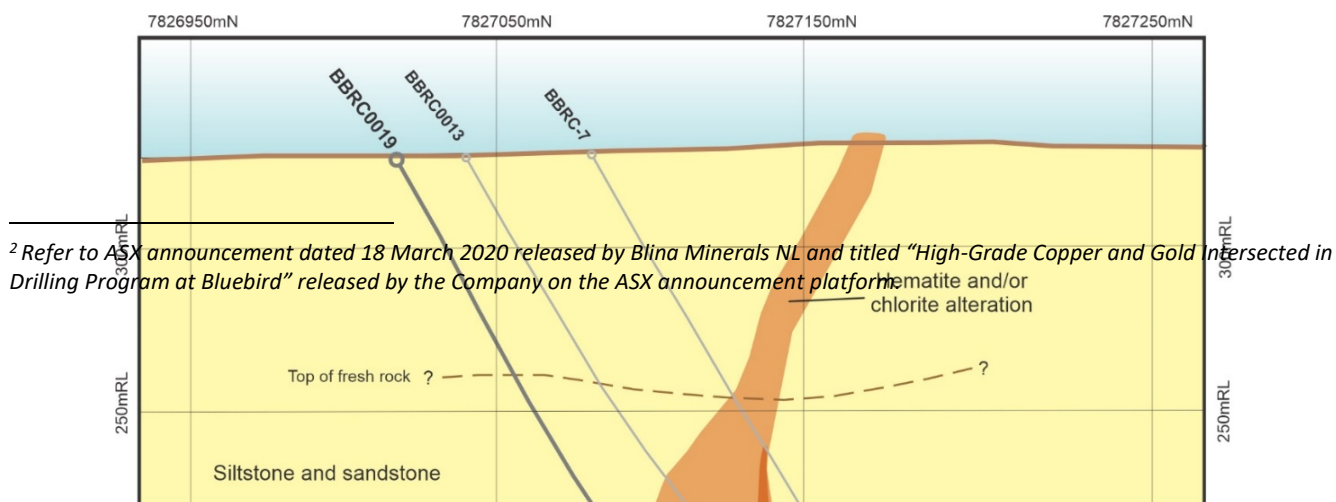


Figure 2: Bluebird prospect cross section 448360E

Further RC and diamond drilling has been planned at Bluebird in order to complete those holes which were abandoned prior to reaching the target mineralised zone due to in-hole caving and to extend the copper-gold mineralisation along strike to the west. Drilling will also be conducted to test targets along the west north-west trending coincident magnetic and gravity anomaly.

Exploration and Development Strategy for Bluebird

The Company's primary objective is to complete further drilling in order to estimate a JORC compliant mineral resource and ultimately to develop a mining project at the Bluebird Prospect. Bluebird is the highest priority and most advanced prospect within the Barkly Project area. Systematic close spaced drilling will aim to accurately define the grade and the geometry of the known Au-Cu-Bi mineralisation.

COMPETENT PERSON'S DECLARATION

The information in this report that relates to exploration results is based on information compiled or reviewed by Mr Martin Bennett, who is a consultant of Colour Minerals Pty Ltd and a member of the Australian Institute of Geoscientists. Mr Bennett 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 of Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Bennett consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

ASX LISTING RULES COMPLIANCE

In preparing this announcement dated 30 July 2021, the Company has relied on the announcements previously made by the Company and specifically dated 24 September 2019 and 18 March 2020. The Company confirms that it is not aware of any new information or data that materially affects those announcements previously made, or that would materially affect the Company from relying on those announcements for the purpose of this announcement dated 30 July 2021.

SCHEDULE OF TENEMENTS

Tenement ID	Type	Status	Holder	Grant Date	End Date	Area (km ²)	TMS Interest
EL28620	Exploration	Active	Colour Minerals Pty Ltd	16 Dec 2011	15 Dec 2021	39.16	100%
EL30701	Exploration	Active	Colour Minerals Pty Ltd	20 Aug 2015	19 Aug 2021	42.6	100%

Appendix 5B

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

Name of entity

TENNANT MINERALS NL (FORMERLY BLINA MINERALS NL)

ABN

25 086 471 007

Quarter ended (Current quarter)

30 June 2021

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (12 Months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for:	-	-
(a) exploration and evaluation (if expensed)	(157)	(157)
(b) development	-	-
(c) production	-	-
(d) staff costs	(213)	(213)
(e) administration and corporate costs	(546)	(615)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other: (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(916)	(985)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation (if capitalised)	-	-
(e) investments	-	-
(f) other non-current assets	-	-
2.2 Proceeds from 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):		
- Acquisition of subsidiary, net of cash	3	3
2.6 Net cash from / (used in) investing activities	3	3

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 Months) \$A'000
3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	2,588	2,588
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	(141)	(141)
3.5 Proceeds from borrowings	-	60
3.6 Repayment of borrowings	(80)	(80)
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	2,367	2,427
4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	3	12
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(916)	(985)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	3	3
4.4 Net cash from / (used in) financing activities (item 3.10 above)	2,367	2,427
4.5 Effect of movement in exchange rates on cash held	-	-
4.6 Cash and cash equivalents at end of period	1,457	1,457
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	1,457	3
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)	1,457	3
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	247	
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 and 6.2 your quarterly activity report must include a description of, and an explanation for, such payments		
Directors' salary, fees, superannuation, consultancy, and reimbursements, related to the current and prior quarters.		

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
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.		
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)	(916)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	-
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(916)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	1,457
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	1,457
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	1.6

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.

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

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?*

Answer:

Yes

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:

No, the quarter had high cash out-flows due to the timing of payment to creditors in line with the recapitalisation and placement completed during the quarter.

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:

Yes, see response to 2 above.

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.

Date: Thursday, 29 July 2021

Authorised by: Board
(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 – e.g. 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.