

ASX ANNOUNCEMENT

29 July 2022

ASX code: TMS

Quarterly Activities Report for the Period Ended 30 June 2022

Tennant Minerals Limited (ASX: TMS) (“Tennant” or the “Company”) is pleased to report its activities for the quarter ended 30 June 2022 (“the Quarter”), focussed on the **Barkly (Bluebird) Project** in the Northern Territory (see location Figure 1).

Summary and Highlights:

- During the June Quarter, 2022, the Company commenced Stage 1 of its follow-up diamond drilling program¹, designed to scope out and expand the footprint of the high-grade Bluebird copper-gold discovery - **immediately west and down-plunge from previously reported thick and high-grade intersections that include:**
 - **50.0m @ 2.70% Cu, 0.52 g/t Au, 29.8 g/t Ag from 158m (down hole) in BBDD0009²,**
 - **including 24.0m @ 5.01% Cu, 1.01 g/t Au, 61.7 g/t Ag from 159m.**
- The first new diamond drillhole of the Stage 1 program, **BBDD0012 tested Bluebird approximately 20m to the west and deeper (down plunge) than BBDD0009²** (see longitudinal projection, Figure 2). BBDD0012 intersected **the zone of intense hematite alteration with malachite (copper-carbonate), blebs of native copper and chalcocite from 155m and continued in this zone of intense mineralisation for 55m to 210m down hole³**. Results are expected shortly from this very important diamond drillhole.
- A further three diamond drillholes **continued to intersect significant copper mineralisation to more than 250m below surface and extending to the west of BBDD0012⁴**, (Figure 2) **highlighting the potential for the high-grade zone to continue to a much greater depth, in line with other major deposits in the Tennant Creek Mineral Field.**
- Post the end of the Quarter the Stage 1¹ follow-up diamond drilling program continued to test the Bluebird mineralisation to the west and down plunge, including a further two diamond drillholes (total 6 Stage 1 holes as planned). **Down-hole electromagnetics (DHEM) will be carried out from the deepest holes** to determine the geometry of extensions to the Bluebird mineralisation, prior to the Stage 2 step-out drilling program² being planned (see Figure 2).
- Also during the Quarter a **detailed drone magnetics survey was completed to define multiple additional copper-gold targets along the broader 5km Bluebird Corridor¹**. Processing and modelling to produce new magnetics imagery and 3-d inversion models will be combined with the previous gravity inversion model to define priority drilling targets along this corridor.
- In addition to the detailed magnetics and gravity which can identify the iron alteration and structures associated with the mineralisation, **a trial of induced polarisation (IP) geophysics will be carried out over Bluebird to detect sulphide mineralisation**. Successful detection of Bluebird will lead to additional IP surveys over the other priority gravity-magnetic targets within the 5km Bluebird trend – that is considered highly prospective for multiple copper-gold discoveries.

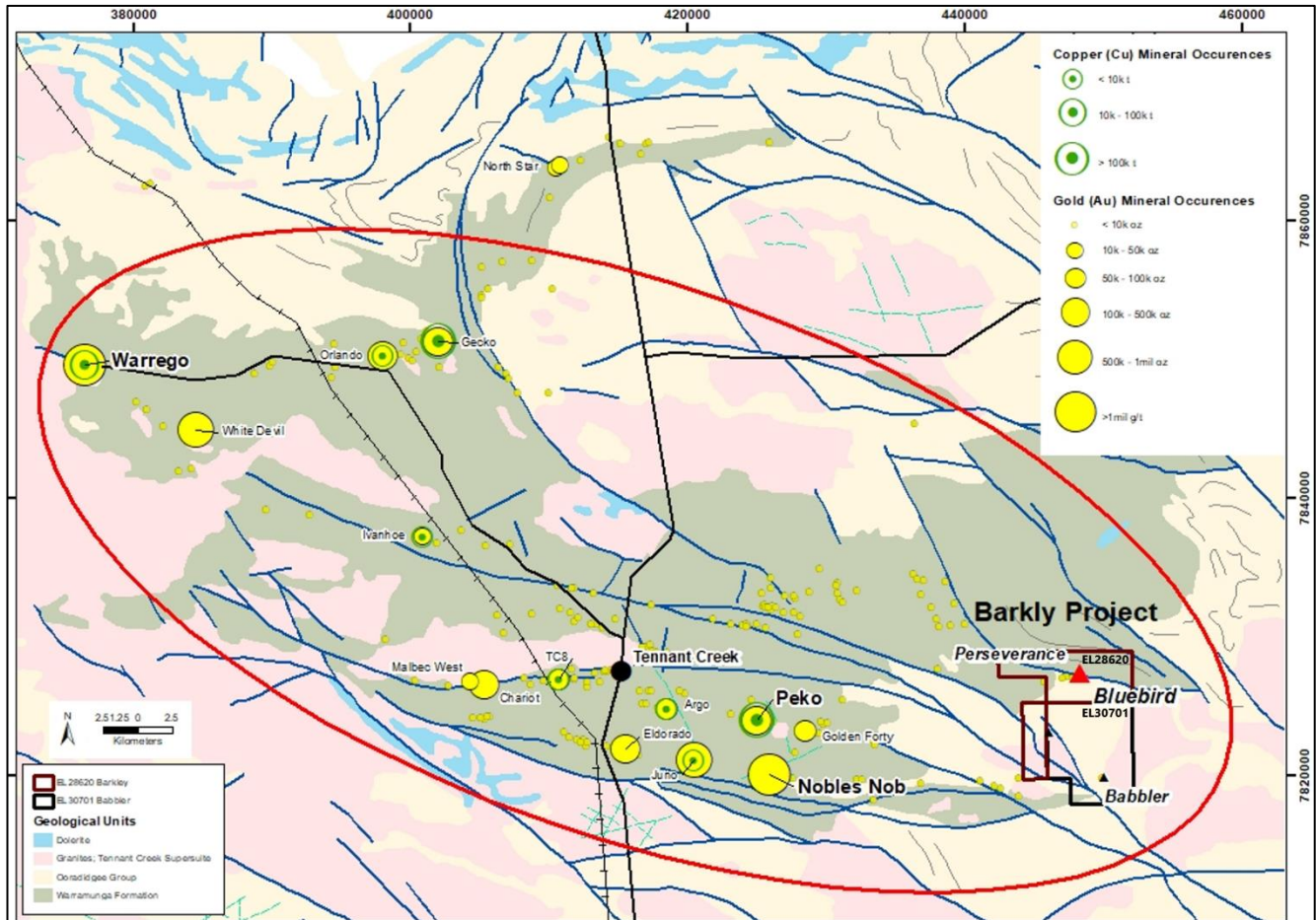


Figure 1: Location of the Barkly Project and major historical mines in the Tennant Creek Mineral Field

The Bluebird Discovery Drilling Program:

During the Quarter ended 30 June 2022, the Company commenced the follow-up diamond drilling program at Bluebird discovery, on its Barkly project, located approximately 45km east of Tennant Creek in the Northern Territory (Figure 1).

The diamond drilling follow-up program is designed to scope out and expand the footprint of the high-grade copper-gold mineralisation in two stages, totalling up to 4,500m of diamond drilling¹ (see proposed pierce points on longitudinal projection, Figure 2).

Stage 1 of the **diamond drilling follow-up program comprises 6 holes for approximately 1,500m¹** and targeted the central thickest part of the shallow, westerly plunging copper-gold shoot - immediately down plunge from the previously reported thick and high-grade intersections that include BBDD0009² (see longitudinal, Figure 2):

- **50.0m @ 2.70% Cu and 0.52 g/t Au (0.4% Cu cut-off) from 158m (down hole),**
 - **including 24.0m @ 5.01% Cu and 1.01 g/t Au (0.8% Cu cut-off) from 159m,**
 - **including 5.0m @ 7.28% Cu and 1.29 g/t Au, 291 g/t Ag (5.0% Cu cut-off) from 165m,**
 - **including 4.3m @ 14.7% Cu and 3.10 g/t Au (5.0% Cu cut-off) from 176.6m.**

** This announcement is authorised by the board on behalf of the Company **

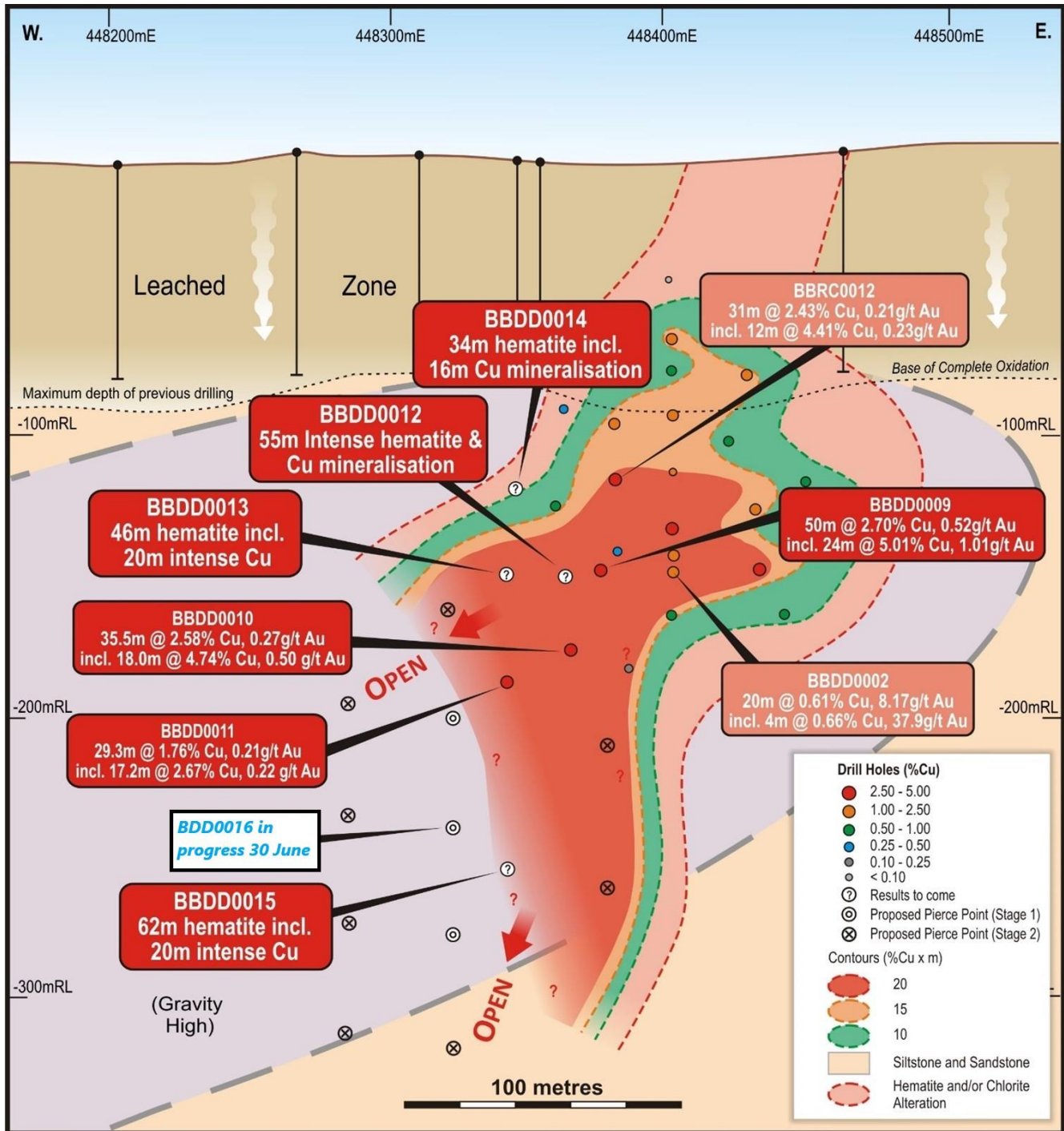


Figure 2: Bluebird longitudinal projection with previous high-grade copper-gold hits and recent intersections

The first new diamond drillhole of the current program, BBDD0012 tested the targeted shallow westerly-plunging mineralised zone at Bluebird approximately 20m to the west and deeper (down plunge) than the previous thick and high-grade drill hit in BBDD0009².

BBDD0012 intersected the hanging wall alteration zone of chlorite and patchy-to-pervasive hematite alteration from 135m down hole. It then **intersected the zone of intense hematite alteration with malachite (copper-carbonate), blebs of native copper and chalcocite from 155m and continued in this zone of intense mineralisation for 55m to 210m down hole**³ (see cross section 448,360mE, Figure 3).

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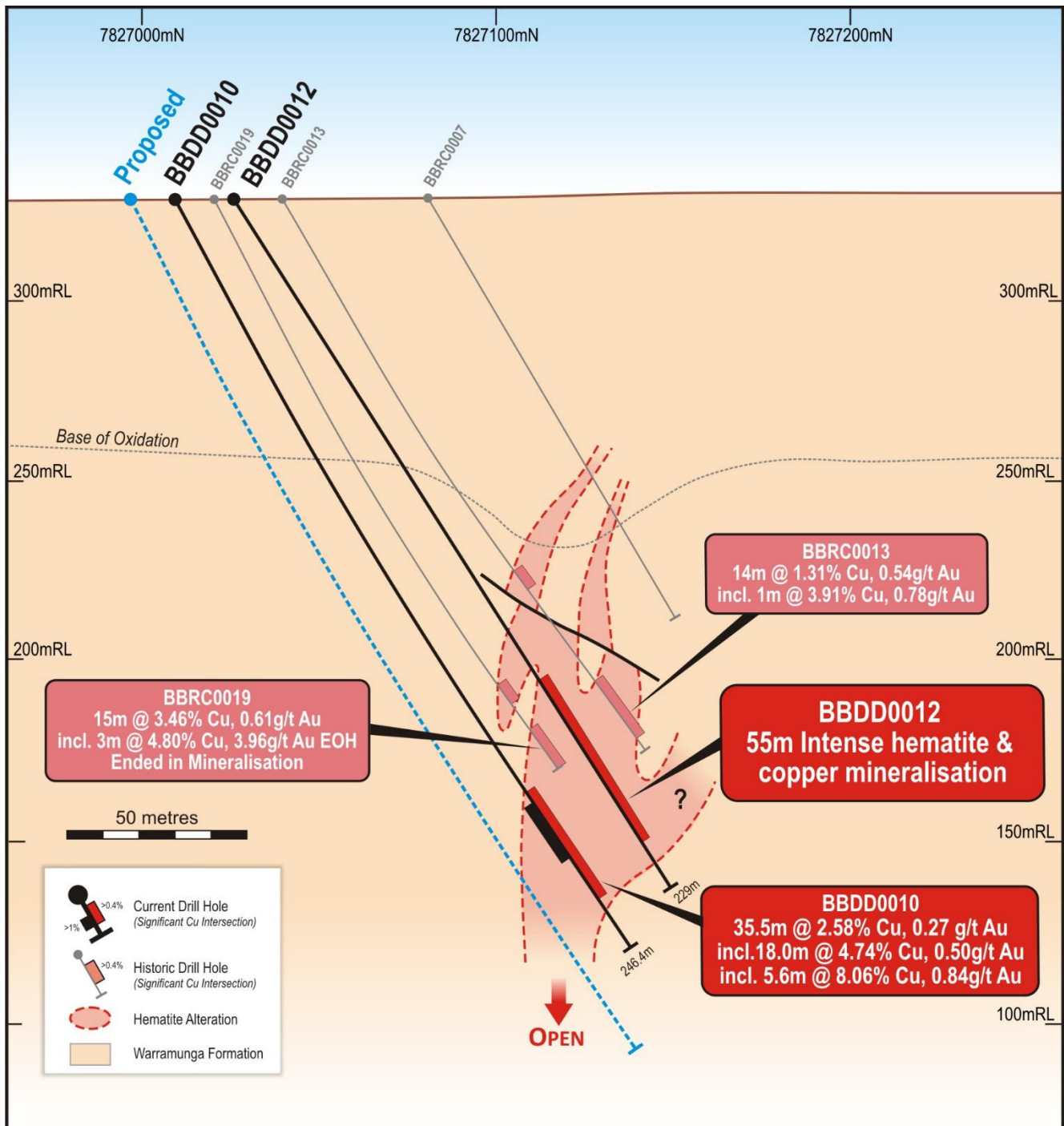


Figure 3: Cross-section 448,360mE with new BBDD0012 intersection and previous BBDD0010 drill-hit

The next three diamond drillholes at the 100%-owned Bluebird copper-gold discovery **continued to intersect significant copper mineralisation to more than 250m below surface and extending to the west**⁴ (Figure 2). This **highlights the potential for the high-grade zone to continue to a much greater depth, in line with other major deposits in the Tennant Creek Mineral Field** such as the Rover 1 deposit of Castille resources (ASX:CST) that continues from 300m to >800m below surface (see www.castille.com.au).

The deepest hole drilled to date at Bluebird, **BBDD0015, intersected 62m of hematite-silica alteration including a 20m zone of specular-hematite and copper mineralisation** (malachite, native copper, chrysocolla and copper sulphides) from 277m downhole⁴.

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Significantly, the iron-oxide alteration and copper mineralisation intersected in BBDD0015 has changed orientation to dip steeply to the north. **This steepening of the mineralised zone at depth indicates that some previous holes may have stopped short of the main high-grade zone, which could extend much deeper than previously interpreted** (see BBRC011 on cross section 448,380mE, Figure 4 below).

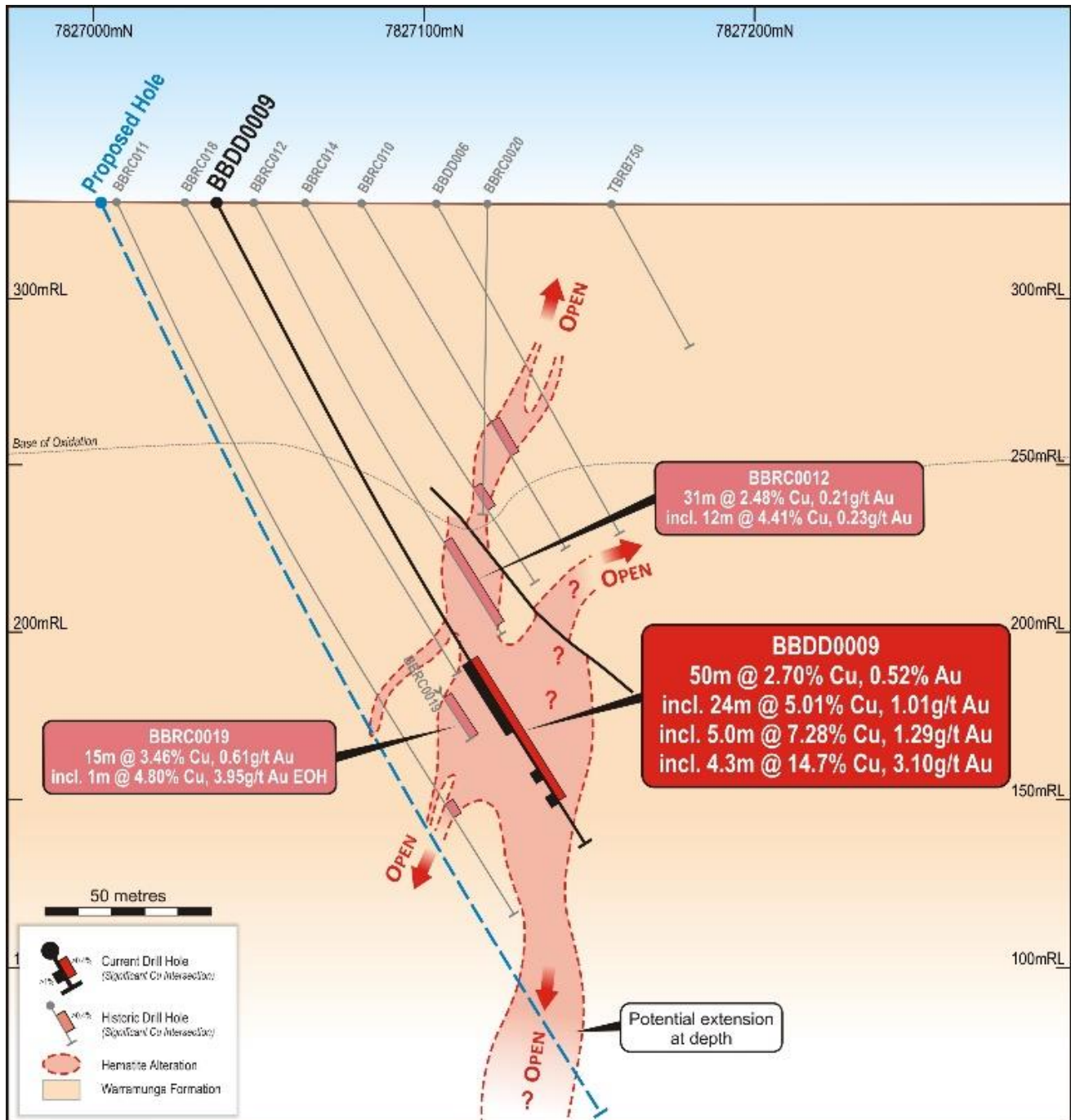


Figure 4: Bluebird cross-section 448,380mE with the BBDD0009 intersection and projected extensions at depth

Diamond drillhole **BBDD0013** tested for extensions to the west of the previously announced **55m intersection of strong to intense hematite and copper mineralisation** in BBDD0012³ (see Figure 2) and intersected a **46m zone of hematite alteration including 21m of intense hematite-magnetite and copper mineralisation** (native copper and chalcocite)⁴ from 157m downhole.

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BBDD0014 is interpreted to have tested the top of the Bluebird mineralised zone (Figure 1), intersecting **34m of hematite-silica alteration including a 16m zone with copper mineralisation** from 130m downhole (native copper and malachite)⁴.

The ongoing Stage 1¹ follow-up diamond drilling program has continued to test the Bluebird mineralisation to the west and down plunge, including a further two holes completed post the end of the Quarter.

The initial results of the Stage 1 diamond drilling follow-up program will be received shortly and reported when available.

Down-hole electromagnetics (DHEM) will then be carried out from the deepest holes to determine the geometry of extensions to the Bluebird mineralisation, prior to the Stage 2 step-out drilling program¹ being initiated (see preliminary proposed pierce points, Figure 2).

The Stage 2 follow-up diamond drilling program will be designed to significantly expand the footprint of the Bluebird discovery to over 300m strike length and as deep as 500m vertical depth (see longitudinal projection, Figure 2). This will confirm that the **Bluebird discovery represents an intact Tennant Creek style copper-gold deposit**, similar to other previously mined ore-bodies such as the nearby **Peko deposit that produced 3.7Mt @ 4% Cu, 3.5 g/t Au⁵** from 1954 to 1976 and the **Warrego deposit that produced 6.75Mt @ 1.9% Cu and 6.6 g/t Au⁵** from 1972 to 1989 (see locations, Figure 1).

Drone Magnetics Survey to Define Multiple Additional Targets along the 5km Bluebird Corridor

During the June Quarter the company completed a detailed drone-magnetics survey over the entire, 5km strike-length Bluebird Corridor¹ (see Bouguer gravity image, Figure 5 below).

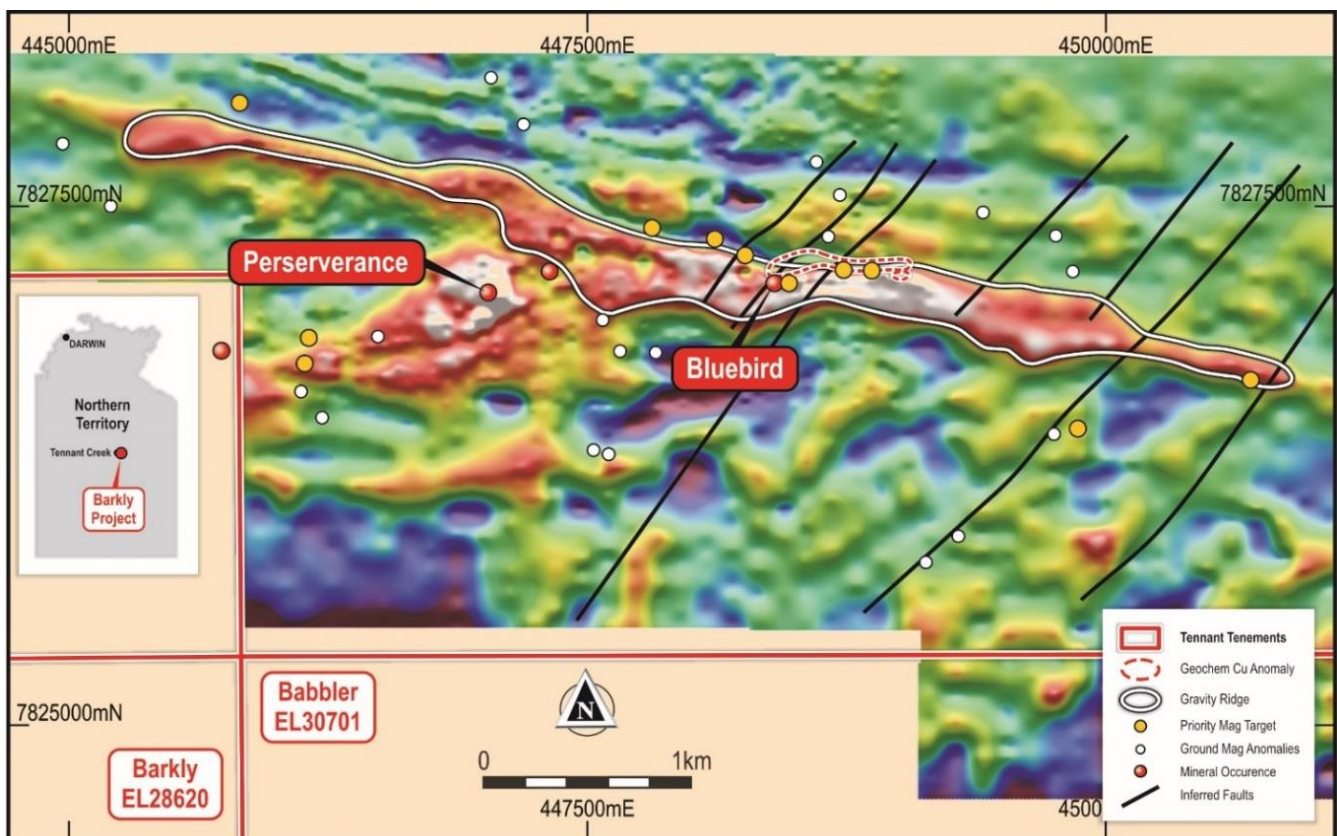


Figure 5: Bouguer 1VD gravity image with Bluebird Prospect and magnetic targets along the 5km Bluebird Corridor

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The high-grade Bluebird copper-gold discovery is associated with a gravity high that is part of a 5km long gravity anomaly or “ridge” (Figure 5). The gravity anomaly reflects high-density, indicating widespread iron enrichment in the primary zone below the near surface leaching that penetrates to >80m depth at Bluebird.

This gravity ridge is most strongly developed between Bluebird and the historical Perseverance gold mine (see gravity model, Figure 6, below) and appears to be stronger with depth and plunging shallowly to the west.

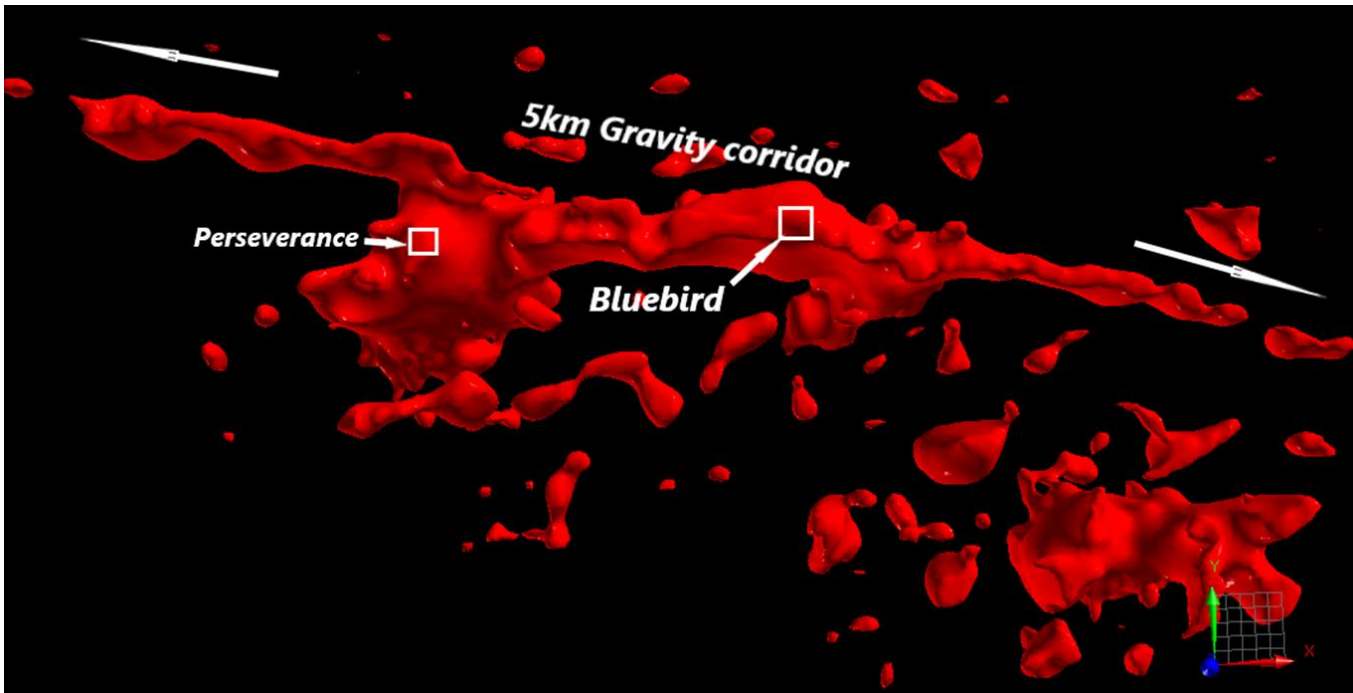


Figure 6: 3-d inversion model of detailed Bouguer gravity data with Bluebird and Perseverance deposits shown

Previous ground magnetics indicates Bluebird is associated with a magnetic anomaly. The Company has identified another 12 magnetic features along the 5km gravity trend that have not been effectively tested.

In order to better define these magnetic anomalies a new, high-resolution, drone magnetic survey was completed.

Processing of data and new imagery has been completed (post the end of the Quarter) and is currently being interpreted. 3-D inversion modelling is also being carried out, to be combined with the gravity inversion model to better define priority targets for further drilling.

In addition to the detailed magnetics and gravity which can identify the iron alteration and structures associated with the mineralisation, **a trial of induced polarisation (IP) geophysics will be carried out over Bluebird to detect sulphide mineralisation.** Successful detection of Bluebird will lead to additional IP surveys over the other priority gravity-magnetic targets within the 5km Bluebird trend – that is considered highly prospective for multiple copper-gold discoveries.

Planning of a further, extensive, RC drilling program to test these targets will be fast-tracked following interpretation of gravity and magnetics imagery and modelling, and completion of the IP survey.

Babbler Project Exploration Planned

The Babbler EL30701 lies directly south of the Barkly EL28620 (Figure 1), covering a magnetic corridor over 6km long interpreted to be intersected by northwest trending faults (see Figure 7 below).

The Babbler prospect was first identified in 1973 by Australian Development Ltd on behalf of Nobelex. Interpretation of aeromagnetic data identified two magnetic anomalies (R29 and R31) that were considered

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to be prospective for Tennant Creek style copper-gold mineralisation. Anomaly R29 corresponds to the Babler prospect (Figure 7).

Previous ground magnetic surveys and geological mapping at Babler were followed by RAB drilling that located a belt of pyritic and chlorite altered volcanics. A RAB hole located 100m west of the magnetic anomaly intersected highly anomalous gold, interpreted to be at a possible faulted contact between sedimentary and volcanic rocks. Subsequent diamond drilling to test the magnetic anomaly and outcropping pyritic volcanics intersected several zones of low to moderate grade gold mineralisation with anomalous copper.

The highly prospective Warramunga Formation that hosts the Bluebird Copper-Gold deposit is interpreted to continue under younger cover sequences throughout the Babler Project.

The Company is planning detailed magnetics and gravity surveys to define drilling targets within the underlying Warramunga Formation for high-grade copper-gold deposits.

During the Quarter the Company was granted \$66,000 co-funding under the 2022 NT Governments' Geophysics and Drilling Collaborations program, representing 50% of the direct diamond drill costs of an exploration hole testing key copper-gold targets within the underlying Warramunga Formation.

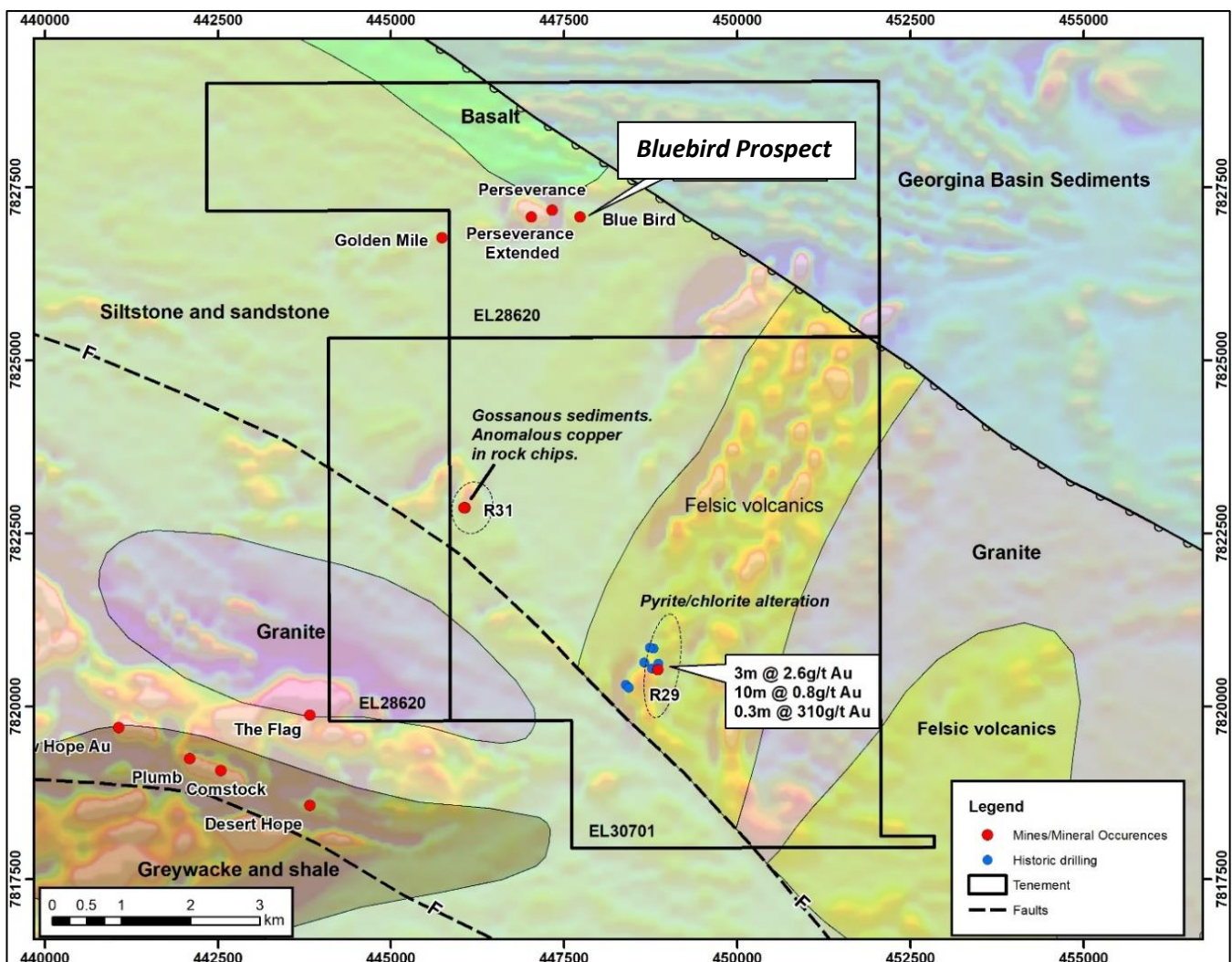


Figure 7: Babler Project showing regional geology on a TMI aeromagnetic image. Prospects are shown in red.

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Corporate Activities

Placement:

During the Quarter ended 30 June 2022, on 4 April 2022⁶, the Company announced that it had completed a capital raising of \$4.5 million (before costs) via the issue of 100 million fully paid ordinary shares at \$0.045 per share. The Placement was completed using the Company's available capacity under ASX Listing Rule 7.1A (51.5M shares), and a portion of the available capacity under ASX Listing Rule 7.1 (48.5M shares).

In addition, the Company issued 26 million unlisted options to brokers involved in the Placement, exercisable at \$0.08, with an expiry 3 years from the date of issue. Broker options were issued from existing ASX Listing Rule 7.1 capacity.

Funds raised from the Placement are being utilised for follow-up drilling of the Bluebird high-grade copper-gold discovery and testing of additional regional targets identified from geophysical surveys at the Company's 100%-owned Barkly Project in the Northern Territory (see location, Figure 1).

Appendix 4C Cashflow Commentary

In Payments to related parties of the entity and their associates (refer to 6.1), the \$45,000 payment refers to the payment of non-executive fees and Director consulting fees.

Cash outflows from operating activities for the Quarter were \$508,000.

Cash and cash equivalents as of 30 June 2022 were \$4,706,000.

References

- ¹ 13 May 2022. Tennant Minerals (ASX. TMS): Drilling Commenced at Bluebird Copper-Gold Discovery.
- ² 08 March 2022. Tennant Minerals (ASX. TMS): Spectacular 50m @ 2.70% copper intersection at Bluebird.
- ³ 06 June 2022. Tennant Minerals (ASX. TMS): 55m Intensely Mineralised Intersection at Bluebird.
- ⁴ 06 July 2022. Tennant Minerals (ASX. TMS): Major Extensions of Bluebird Copper Discovery Intersected.
- ⁵ Portergeo.com.au/database/mineinfo. Tennant Creek - Gecko, Warrego, White Devil, Nobles Nob, Juno, Peko, Argo.
- ⁶ 04 April 2022. Tennant Minerals (ASX. TMS): Tennant Raises \$4.5M to Step-Up Cu-Au Drilling at Bluebird.

ENDS

Contact and Authorisation

This release was authorised by the Board of Tennant Minerals Ltd (ASX:TMS).

For further information please contact:

Matthew Driscoll

Non-Executive Chairman

M: +61 417 041 725

Cautionary Statement Regarding Forward Looking Information

This release contains forward-looking statements concerning Tennant Minerals. Forward-looking statements are not statements of historical fact and actual events and results may differ materially from those described in the forward-looking statements as a result of a variety of risks, uncertainties and other factors. Forward-looking statements are inherently subject to business, economic, competitive, political and social uncertainties and contingencies. Many factors could cause the Company's actual results to differ materially from those expressed or implied in any forward-looking information provided by the Company, or on behalf of, the Company. Such factors include, among other things, risks relating to additional funding requirements, metal prices, exploration, development and operating risks, competition, production risks, regulatory restrictions, including environmental regulation and liability and potential

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title disputes.

Forward looking statements in this release are based on the company's beliefs, opinions and estimates of Tennant Minerals Ltd as of the dates the forward-looking statements are made, and no obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments.

Competent Persons Declaration

The information in this report that relates to exploration results is based on information compiled or reviewed by Mr Nick Burn who is Exploration Manager for Tennant Minerals and a member of the Australian Institute of Geoscientists. Mr Burn 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 Burn 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 29 July 2022, the Company has relied on the announcements previously made by the Company and specifically dated 04 April 2022, 13 May 2022, 06 June 2022 and 06 July 2022. 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.

Schedule of Tenements and Status:

Tenement ID	Type	Status	Holder	Grant Date	Renewal Date	Area (km ²)	TMS Interest
EL28620	Exploration	Active	Colour Minerals Pty Ltd	16 Dec 2011	15 Dec 2023	39.16	100%
EL30701	Exploration	Active	Colour Minerals Pty Ltd	20 Aug 2015	14 Jan 2023	42.6	100%

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Appendix 5B

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

Name of entity

TENNANT MINERALS LIMITED

ABN

25 086 471 007

Quarter ended (Current quarter)

30 June 2022

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)	(350)	(1,259)
(b) development	-	-
(c) production	-	-
(d) staff costs	(45)	(225)
(e) administration and corporate costs	(114)	(407)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	1
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	(508)	(1,890)
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):	-	-
2.6 Net cash from / (used in) investing activities	-	-

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

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 Months) \$A'000
3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	4,500	5,500
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	(301)	(361)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	4,199	5,139
4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	1,015	1,457
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(508)	(1,890)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4 Net cash from / (used in) financing activities (item 3.10 above)	4,199	5,139
4.5 Effect of movement in exchange rates on cash held	-	-
4.6 Cash and cash equivalents at end of period	4,706	4,706
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	4,706	1,015
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)	4,706	1,015
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	45	
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)	(508)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	-
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(508)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	4,706
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	4,706
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	9.3

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:

N/A

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:

N/A

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:

N/A

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: Friday, 29 July 2022

Authorised by: By the Board of Directors
(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.