



**SIX
SIGMA
METALS**

ASX Announcement
29 JANUARY 2020

December 2019 Quarterly Report

The Board of Six Sigma Metals Limited (“SI6” or “the Company”) wishes to provide shareholders with its quarterly report for the three-month period ending December 31, 2019.

During the quarter, the focus was on assessing potential opportunities for the Company, reviewing the exploration potential of the Company’s portfolio of assets in Botswana and continuing to monitor the BCL Limited liquidation process concerning the Company’s affected Botswana assets.

The Company continued desktop assessments of its Botswana portfolio and constructed fieldwork programs for implementation once the liquidation of BCL is resolved. The Company is reviewing the nickel potential of recently granted tenements as well as the Maiblele North 2.4Mt Ni-Cu-Co-Pd deposit (see ASX Announcement 28/04/2015) to define resource extension targets for future drilling.

Other exploration targets include the Dibete and Airstrip copper prospects where previous drilling (see ASX Announcements 18/12/2017 and 12/01/2017) has provided encouragement for the presence of significant copper mineralisation at both prospects. Fieldwork programs, including deep-looking geophysics, are being assessed, with a view to locating deep, massive-sulphide copper drill targets.

The Company considers it to be in the best interests of shareholders to continue to focus on deriving value from its existing Botswana assets as well as assessing new opportunities.

SI6’s cash position as at 31 December 2019 was \$1 million.

About the Botswanan Assets

Three of the Company’s licences (PL 110/94, PL 111/94 and PL 54/98), covering 185km², have been in Joint Venture with BCL Limited (a major Ni-Cu miner in Botswana) since 2014. On October 2016, BCL was placed into liquidation and all work on the JV assets ceased. The Ministry of Minerals Resources, Green Technology and Energy Security has subsequently suspended (put on hold) the renewal date of the three Prospecting Licences (see ASX Announcement 25 September 2017). This suspension means that the current renewal date of 31 March 2018 has been frozen for an indefinite period pending completion of the liquidation process. This decision does not affect SI6’s right to continue exploring these licences. SI6, via its African subsidiary AML, will apply for renewals for all three licences as stipulated in the Mines and Minerals Act when advised by the Ministry of the new renewal dates. The liquidation process is ongoing as of the date of this report.

Six Sigma Metals

Corporate Details

ASX Code: SI6

Directors

Patrick Holywell

Non-Executive Chairman

Steve Groves

Non-Executive Director

Joshua Letcher

Non-Executive Director

Eddie King

Non-Executive Director

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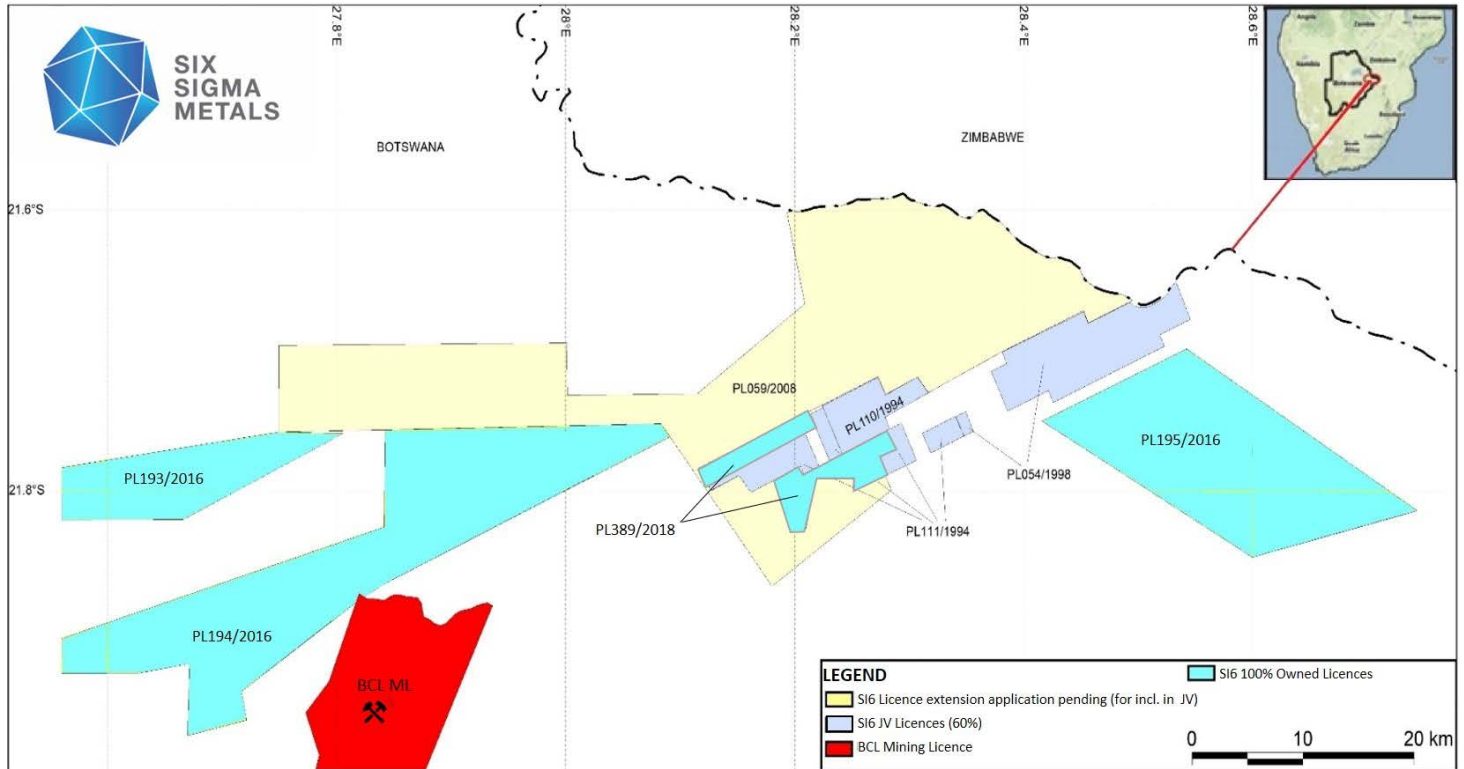


Figure 1: SI6 Tenement map in Eastern Botswana.

Exploration areas held in Botswana

The Company holds the following prospecting licences in Botswana:

Tenement	Renewal / Expiry Date	Percentage Holding	Title Holder	Comment
Magogaphate PL 110/94	31/03/2018	60	African Metals (Pty) Ltd	Farm-in agreement with BCL Ltd, currently in liquidation with renewals suspended.
Mokoswane PL 111/94	31/03/2018	60	African Metals (Pty) Ltd	Farm-in agreement with BCL Ltd, currently in liquidation with renewals suspended.
Takane PL 54/98	31/03/2018	60	African Metals (Pty) Ltd	Farm-in agreement with BCL Ltd, currently in liquidation with renewals suspended.
Shashe South PL 059/2008	30/09/2016	100	African Metals (Pty) Ltd	Renewal application submitted 30/06/16, to be included in JV with BCL Ltd, currently in liquidation with renewals suspended.
PL 193/2016	30/09/2019	100	African Metals (Pty) Ltd	Pending renewal
PL 194/2016	30/09/2019	100	African Metals (Pty) Ltd	Pending renewal
PL 195/2016	30/09/2019	100	African Metals (Pty) Ltd	Pending renewal
PL 389/2018	30/09/2021	100	African Metals (Pty) Ltd	Active



The mining tenement interests relinquished during the quarter and their location

Nil.

The mining tenement interests acquired during the quarter and their location

Nil

Beneficial percentage interests held in farm-in or farm-out agreements at the end of the quarter

SI6, via its wholly-owned subsidiary African Metals Limited, holds a 60% interest in Prospecting Licences PL110/94, PL111/94 and PL54/2008. The remaining 40% is held by BCL Investments Limited who are currently in liquidation. These licences have been suspended (put on hold) until the liquidation process is complete but are confirmed in Good Standing by the Department of Mines in Botswana.

Beneficial percentage interests in farm-in or farm-out agreements acquired or disposed of during the quarter

Not applicable.

Additional Tenement Information:

African Metals (Pty) Ltd is a wholly owned subsidiary of the Company.

Minerals Holdings (Botswana) Pty Ltd holds a 5% net profit share interest in PL 110/94, PL 111/94 and PL 54/98.

For further information please contact:

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Chairman

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Authorised on behalf of SI6 by Patrick Holywell, Chairman.

About Six Sigma Metals

Six Sigma Metals (ASX: SI6) is an exploration company operating in Southern Africa specifically targeting projects containing “battery or new world” metals to capitalise on the rising interest in the sector due to recent global technology advances and increasing demand for these commodities. The Company’s key target area of focus is Southern Africa.

Competent Persons Statement

The information in this report that relates to Exploration Targets and Exploration Results is based on historical exploration information compiled by Mr Steven Groves, who is a Competent Person and a Member of the Australian Institute of Geoscientists. Mr Groves is a Director of Six Sigma Metals Limited. Mr Groves has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the “Australasian Code for the reporting of Exploration Results, Mineral Resources and Ore Reserves”. Mr Groves consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.



Disclaimer

In relying on the above mentioned ASX announcement and pursuant to ASX Listing Rule 5.23.2, the Company confirms that it is not aware of any new information or data that materially affects the information included in the above mentioned announcement or this Quarterly Activities Report for the period ended 31 December 2019.

Appendix 1: Details of publicly reported resources referred to in this document

Maibele North – Six Sigma Metals								
Inferred								
Cut-off (%Ni)	Tonnes (Mt)	Ni (%)	Cu (%)	Pt (g/t)	Pd (g/t)	Rh (g/t)	Ru (g/t)	Au (g/t)
0.30	2.38	0.72	0.21	0.08	0.36	0.04	0.05	0.10
Six Sigma Release – “Maiden Inferred Resource for Maibele North” – 28/04/2015								

Inferred Resource calculated by MSA South Africa in 2015 to JORC 2012 compliance

Appendix 5B

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

Name of entity

Six Sigma Metals Limited

ABN

96 122 995 073

Quarter ended ("current quarter")

31 December 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation (if expensed)	(10)	(32)
(b) development	-	-
(c) production	-	-
(d) staff costs	(53)	(84)
(e) administration and corporate costs	(179)	(359)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	3
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	(242)	(473)

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	-	-

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 (6 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	(1)	(1)
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(1)	(1)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	333
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	-	(23)
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	-	310
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,309	1,230
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(242)	(473)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1)	(1)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	310

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 (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,068	1,068

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	1,068	1,309
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)	1,068	1,309

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

Current quarter \$A'000
(34)
-

Director and consulting fees paid to Directors and/or Director related entities	\$33,792
Rental fees paid to Directors and/or Director related entities	\$4,500

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

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(242)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	-
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(242)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	1,068
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	1,068
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	4
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:	
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:	
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:	

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: 29 January 2020

Authorised by: The Board of SI6
(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.