



**SIX
SIGMA
METALS**

ASX Announcement

20 APRIL 2020

March 2020 Quarterly Report

The Board of Six Sigma Metals Limited (ASX:SI6, "SI6", "Six Sigma" or the "Company") wishes to provide shareholders with its quarterly report for the three-month period ending 31 March 2020.

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 Botswanan assets.

Acquisition opportunities

In late 2019, SI6 submitted an application for in-principle advice to the ASX in relation to a potential acquisition opportunity (the "Transaction"). Subsequently, SI6 and the ASX engaged in a number of discussions in relation to the Transaction. Subsequent to the quarter, SI6 established from its discussions with ASX that the Transaction terms were not suitable.

The Board continues to identify and assess other potential value accretive acquisitions in the resources sector. There is no certainty that such acquisition will proceed. In the event that an acquisition proceeds, completion may be subject to various conditions, including regulatory and shareholder approval.

Exploration update

The Company continued desktop assessments of its Botswanan portfolio. As announced subsequent to the quarter, the Company is currently finalising plans for a field exploration program to commence in Botswana, subject to any restrictions that may be imposed as a result of COVID-19. By way of background, SI6 is the holder of exploration licences covering approximately 1,500km² of terrain prospective for Ni-Cu-Co-PGE-Au-Ag as well as lithium and tantalum in the Limpopo Belt of eastern Botswana.

Work completed to date by SI6 includes regional and local soil sampling, geological mapping, airborne and ground-based geophysical surveying. Extensive reverse circulation and diamond drilling has also been undertaken at numerous prospects across the portfolio, with a focus on the advanced Maibele North Ni-Cu-Co-PGE, Airstrip Cu-Ag and Dibete Cu-Ag Prospects. The Maibele North mineralisation remains open to the east and west along strike and at depth.

Six Sigma Metals

Corporate Details

ASX Code: SI6

Directors

Patrick Holywell
Chairman

Steve Groves
Non-Executive Director

Joshua Letcher
Non-Executive Director

Mauro Piccini
Company Secretary

Contact

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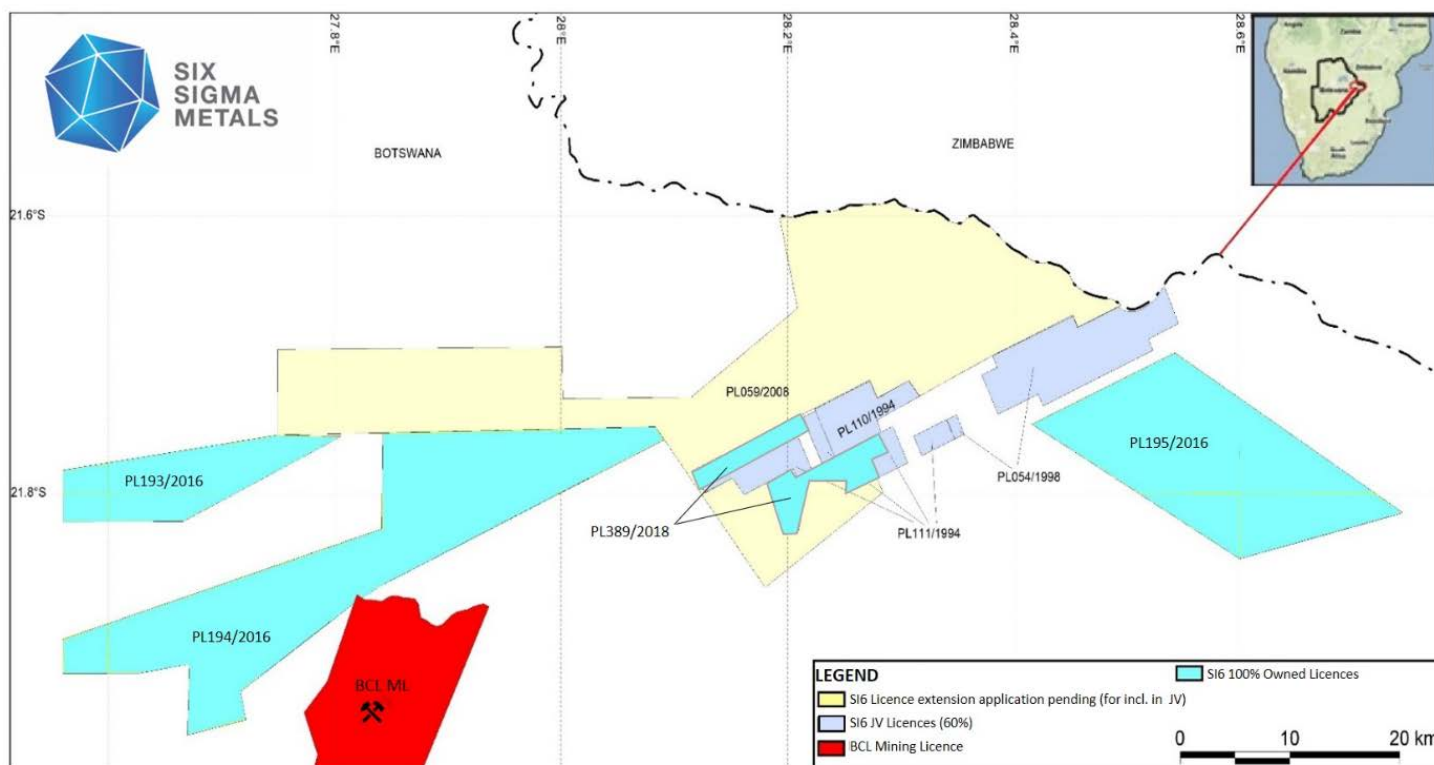


Figure 1: SI6 tenement map in eastern Botswana

In April 2014, SI6 entered into a farm-in and joint venture agreement with BCL Limited and its subsidiary BCL Investments (Pty) Ltd (jointly referred to as “BCL”). Under the terms of the agreement, BCL was required to spend A\$4 million on exploration expenditure to earn a 40% equity interest in three tenements (~185km²). BCL had the option to continue funding the project to a Bankable Feasibility Study in order to earn an additional 30%. By July 2016, BCL had earned the initial 40% equity, subject to the completion of formalities. In 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 but this decision does not affect SI6’s right to continue exploring these licences. The liquidation process is ongoing to date and SI6 is closely monitoring progress.

An initial JORC-compliant (2012) Inferred Resource was calculated at Maibele North by MSA South Africa in 2015. At the time of BCL’s liquidation, Worley Parsons had been engaged to recalculate the resource based on further drilling in preparation for mining pre-feasibility studies. This work was never completed.

Maibele North Inferred Resource							
Tonnes (Mt)	Ni (%)	Cu (%)	Pt (g/t)	Pd (g/t)	Rh (g/t)	Ru (g/t)	Au (g/t)
2.38	0.72	0.21	0.08	0.36	0.04	0.05	0.10

Table 1: Inferred Resource calculated by MSA South Africa in 2015 to JORC 2012 compliance (at a 0.30% Nickel cut-off grade). See ASX release on 28 April 2015 “Maiden Inferred Resource for Maibele North.



SI6's cash position as at 31 March 2020 was \$900K.

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.



Authorised on behalf of SI6 by Patrick Holywell, Chairman.

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Disclaimer

In accordance with ASX Listing Rule 5.23.2, the Company confirms it is not aware of any new information or data that materially affects the information included in the relevant market announcement dated 28 April 2015 referred to above and that all material assumptions and technical parameters underpinning the estimates in the announcement continue to apply and have not materially changed.

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.

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.

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 March 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation (if expensed)	(10)	(42)
(b) development	-	-
(c) production	-	-
(d) staff costs	(38)	(122)
(e) administration and corporate costs	(111)	(470)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	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	(159)	(631)

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 (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)	-	-
2.6	Net cash from / (used in) investing activities	-	-
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	1,068	1,230
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(159)	(631)
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)	-	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 (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	909	909

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	909	1,068
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)	909	1,068

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
(48)
-

Director and consulting fees paid to Directors and/or Director related entities	\$43,710
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.</i>			
<i>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)	(159)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	-
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(159)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	909
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	909
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	6
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: 20 April 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.