



**SIX
SIGMA
METALS**

ASX Announcement

30 OCTOBER 2020

September 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 30 September 2020.

HIGHLIGHTS

- **Option entered to acquire 100% of the Monument Gold Project (MGP) in Laverton Gold District in WA**
- **Adjacent to the Mt Morgan Project (2.1Moz Au) and in close proximity to numerous other multi-million ounce gold deposits**
- **Contains ~30km of untested gold-hosted Banded Iron Formation with 7 high priority targets identified**
- **Highly prospective for shear-hosted, syenite intrusion-related mineralisation with 15 felsic intrusives identified**
- **Initial JORC (2012) compliant inferred mineral resource estimation (Korong Resource) of 0.86Mt at 1.8g/t Au for 50,000 oz Au**
- **Exploration continuing in Botswana with drill planning underway**
- **New owners for BCL expected by December 2020**
- **Capital raisings totalling circa ~\$2.4M completed with cash balance +\$3.1M**

During the September quarter, the Company was primarily focused on field exploration in Botswana, assessing potential acquisition opportunities as well as capital raising initiatives. At the end of August, Si6 announced an option agreement to acquire an interest in the Monument Gold Project in Laverton. The Company also continued to monitor the BCL Limited liquidation process.

Monument Gold Project, Western Australia

Si6 entered into a binding and exclusive heads of agreement (**Heads of Agreement**) with DiscovEx Resources Limited (ASX: **DCX**) whereby DCX has granted Si6 with an option (**Option**) to acquire a 100% interest in the Monument Gold Project (**MGP** or the **Project**) in Western Australia.

MGP covers an area of 310km² and comprises 25 licences with the majority being contained within 6 exploration licences. The area is a well-established mining district which hosts excellent infrastructure and access including the sealed Leonora-Laverton Road, which runs directly through the Project, a gas pipeline and a sealed airstrip at Laverton.

Six Sigma Metals

Corporate Details

ASX Code: Si6

Directors

Patrick Holywell

Executive Chairman

Steve Groves

Technical Director

Joshua Letcher

Non-Executive Director

Mauro Piccini

Company Secretary

Contact

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The Project contains significant gold mineralisation and ~30km of relatively untested gold-hosted Banded Iron Formation (BIF), which is interpreted to be the same unit that hosts the Westralia gold deposit (Dacian’s Mt Morgan Project), located immediately southeast of the Project.

MGP is also highly prospective for shear-hosted, syenite intrusion-related mineralisation, with 15 felsic intrusives identified in a high-level targeting study that are yet to be thoroughly explored (see ASX: DCX announcement 13 September 2018).

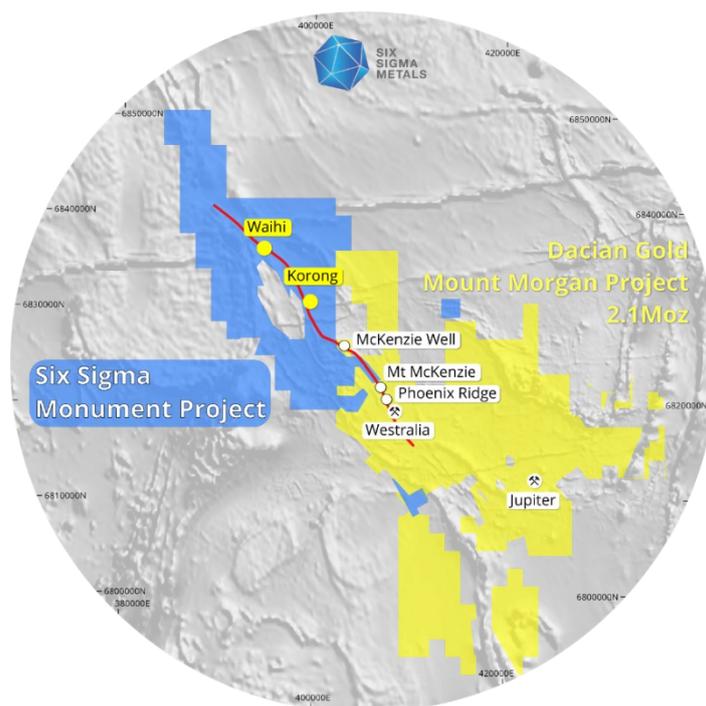


Figure 1: Location map of MGP (in blue) adjacent to Dacian’s Mount Morgan Project (in yellow)

Laverton Tectonic Zone

The Project lies in the world class Laverton Tectonic Zone, which to date has produced more than 30 million ounces of gold and yielded some of Australia’s best-known gold mines. MGP is located in an overturned western limb of the Mt Margaret anticline, which plunges moderately to the south and has a north-north west trending fold axis. Rock types are dominated by mafic volcanics, mafic intrusives, minor ultramafics and metasediments, and a narrow band of a regionally continuous BIF. These primary rock types have been intruded by concordant and discordant felsic porphyry dykes and sills as well as local thin lamprophyre dykes. All rocks have undergone regional greenschist facies metamorphism. Significant gold deposits associated with felsic intrusions in the Laverton Zone include Sunrise Dam (9Moz), Granny Smith & Wallaby (8Moz) and Jupiter (>1.6Moz).

Korong Resource

The Korong Resource is a shear hosted BIF associated with the Ninnis and Claypan Fault Zones. The north and north-west striking surface expressions of gold mineralisation indicate steep east dips associated with shear zones which vary from 2m to 15m in true thickness. The associated alteration zone is considered to be typical of shear zones and vein style gold mineralisation found elsewhere in the Laverton district. Gold mineralisation is interpreted as an easterly-dipping

and north plunging lode which to date has been delineated over a strike length of approximately 500m, a down plunge extent of 200m and an average thickness of 5m. Drilling has successfully defined this horizon and also identified internal high grade shoots which are likely controlled by localised folding and faulting.

Previous drilling by the vendors has returned significant gold mineralisation at a number of targets throughout the Project. The most advanced target is at the Korong Prospect, where an initial JORC (2012) compliant inferred mineral resource estimation (**Korong Resource**) of 0.86Mt at 1.8g/t Au for 50,000 oz Au was calculated by Mining Plus Pty Ltd (see ASX:DCX announcement of 10 September 2018). It is open along strike and down dip and displays repeating high-grade plunging shoots. Further work on density and the structural controls on mineralisation is required to increase the resource confidence to an 'Indicated' category.

Previous exploration along the 30km long BIF horizon has also revealed a number of highly prospective gold exploration targets within MGP. There are at least seven BIF-targets north and south of the Korong resource, many with drill intersections greater than 1g/t Au over several metres, including Waihi, Korong South, Perseverance (soil anomaly and never drilled, Anomaly 4, Anomaly 39, A1 North and Old Copper).

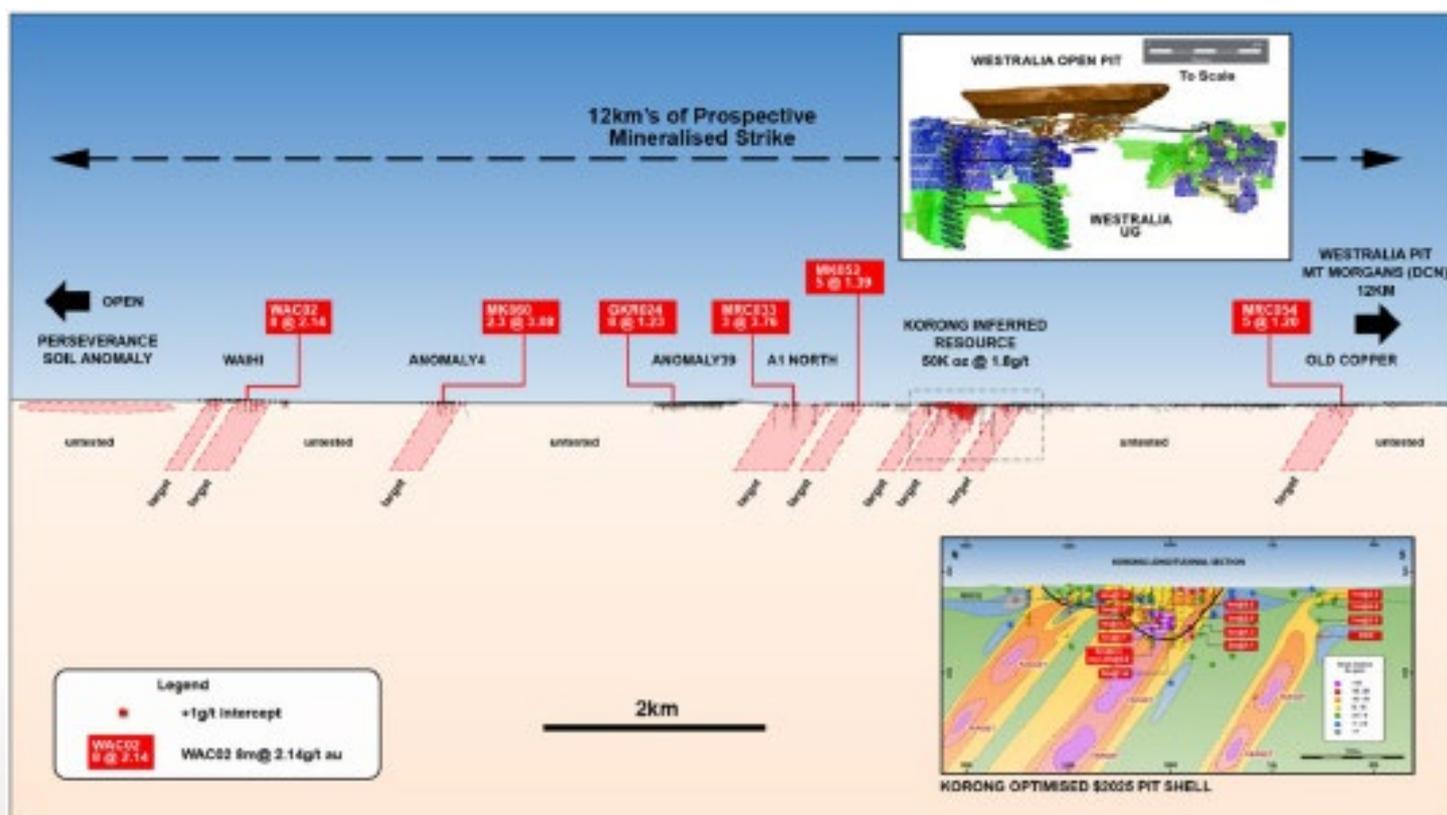


Figure 2: Long section of BIF exploration prospects located north and south of the Korong Resource. Inset is a 3D image of Dacian's Westralia mining operation to scale with the long section (image sourced from DCX ASX announcement 13 September 2018).

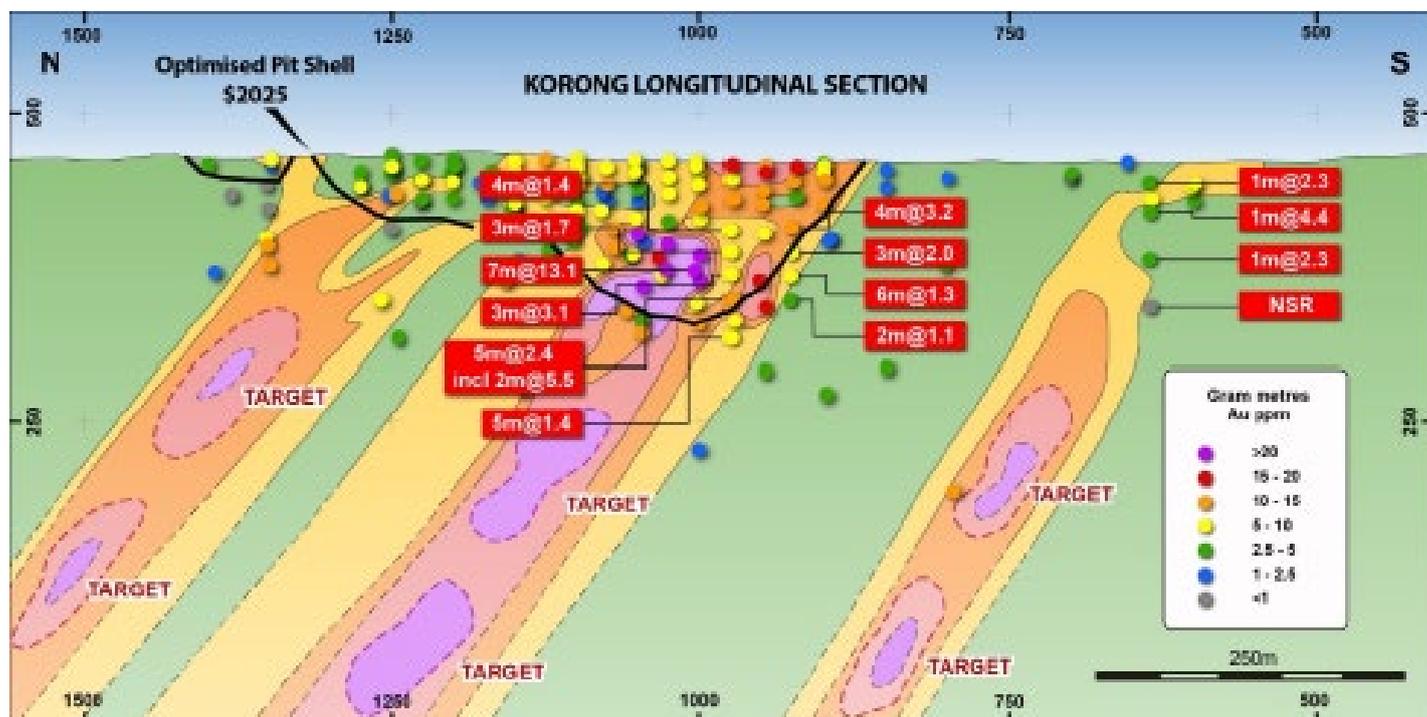


Figure 3: Long section of the Korong Resource with interpreted gold lodes (Image sourced from DCX ASX announcement 10 September 2018)

NOTE: Further details and a full summary of the transaction terms can be found in the Company’s ASX announcement dated 25 August 2020.

Next steps

Throughout the option period, Si6 proposes to undertake the following activities:

- Review of all exploration data and interpretations to verify mineralisation models and identify all priority exploration targets;
- Groundwork programs including geochemical sampling and surveying;
- RC and diamond drilling to extend the Korong Resource along strike and at depth, particularly focusing on high grade shoots; and
- Drill testing of regional exploration targets.

Korong Inferred Resource			
Deposit	Tonnes	Grade (g/t)	Au Ounces
Korong	650,000	1.6	33,000
Korong UG	205,000	2.5	17,000

Table 1: Inferred Resource calculated by Mining Plus in 2018 to JORC 2012 compliance (at a 0.5g/t cut off for Korong and 2g/t cut off for Korong UG). Refer to DCX’s ASX announcement dated 10 September 2018 titled “Maiden Gold Resource at Monument Project” for further details.

Maibele Project, Botswana

Si6 commenced a two-phase field exploration program targeting nickel, copper, cobalt, PGE and silver mineralisation, designed to progress the Company’s portfolio of assets in eastern Botswana. Phase One was completed in August involving sampling of the **Majante and Majante Southwest (Majante SW)** prospect areas. Historical exploration has identified buried conductors associated with mapped ultramafic rocks at surface and elevated nickel and copper soil geochemical anomalies. A total of 100 samples from the total of 625 collected were sent to an independent laboratory in South Africa. The results show two 1.2km long, sub-parallel zones of strong nickel response to over 1,200ppm Ni coincident with the conductive EM feature (see Figure 4). Other elements noted to be anomalous and coincident with the nickel trends include copper up to 176ppm, cobalt to 139ppm and chrome to 2.08%. Further groundwork at Majante will include geological mapping, trenching and ground EM surveying.

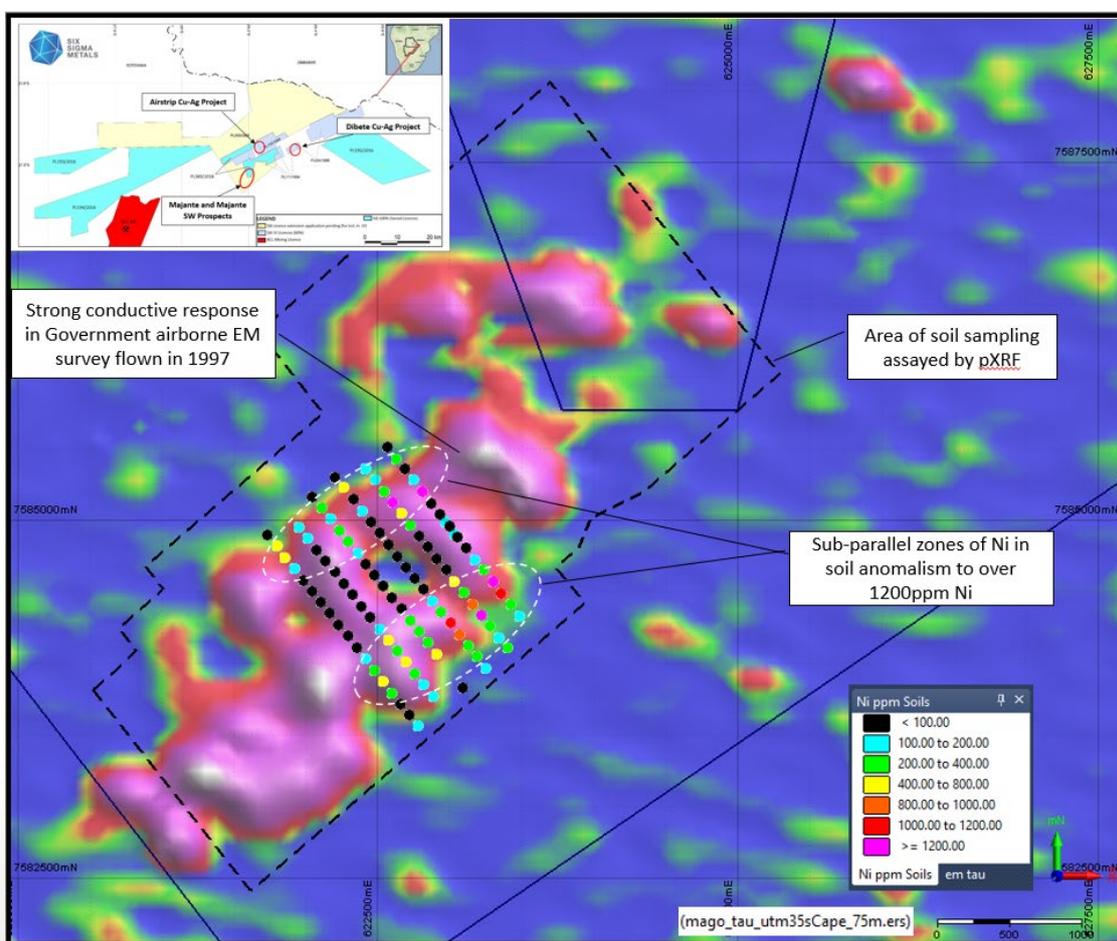


Figure 4: Map view of Ni-in-soil anomalism from laboratory assays over the SW Majante area. The anomalous trends are coincident with a broad EM conductive feature (purple area) prominent in government-acquired airborne EM data from a 1989 survey.

Phase two of the program includes deep-penetrating geophysical surveying across the **Airstrip** and **Dibete** prospects where previous results have revealed high-grade copper and silver mineralisation close to surface. The program has been designed to test for deep, massive to semi-massive sulphide bodies that might be ‘feeding’ the high-grade mineralisation observed close to surface. Similarities between the style of mineralisation at Airstrip and Dibete to the historic Messina

Copper project in the Limpopo Mobile Belt in South Africa have been noted. The Messina deposits were discovered initially by the recognition of narrow, high-grade copper veins close to surface, with the larger orebodies extending to over 1,400m depth spaced over a 15km strike zone. The area was mined from 1903 to 1993 and historical records estimate up to 42 million tons of Cu-bearing ore¹ to produce 700,000 tonnes of copper² were extracted at Messina. Once the geophysics over the Airstrip and Dibete prospects is complete, Si6 will commence planning further drilling to test any deep targets generated by the surveys.

The **Maibele North** nickel sulphide mineralisation is related to ultramafic intrusions within mobile belt rocks and is broadly similar in style to other ultramafic intrusion-related mobile belt nickel discoveries such as Nova-Bollinger (ASX:IGO), Julimar (ASX:CHN) and the globally significant Thompson Belt in Canada. These styles of nickel deposit are typified by a suite of associated metals that often include nickel, copper, cobalt and platinum group elements, all of which are present at Maibele North.

Drill planning at Maibele North is underway. Initially, a single 550m deep diamond hole is envisaged to test along strike to the east of MARD0094, within a large SQUID EM conductor that is spatially associated with the mineralisation (see Figure 5). If this hole successfully intersects mineralisation associated with the strong EM conductor, then further deep holes are likely to follow to define what would be a new discovery at the Maibele North project.

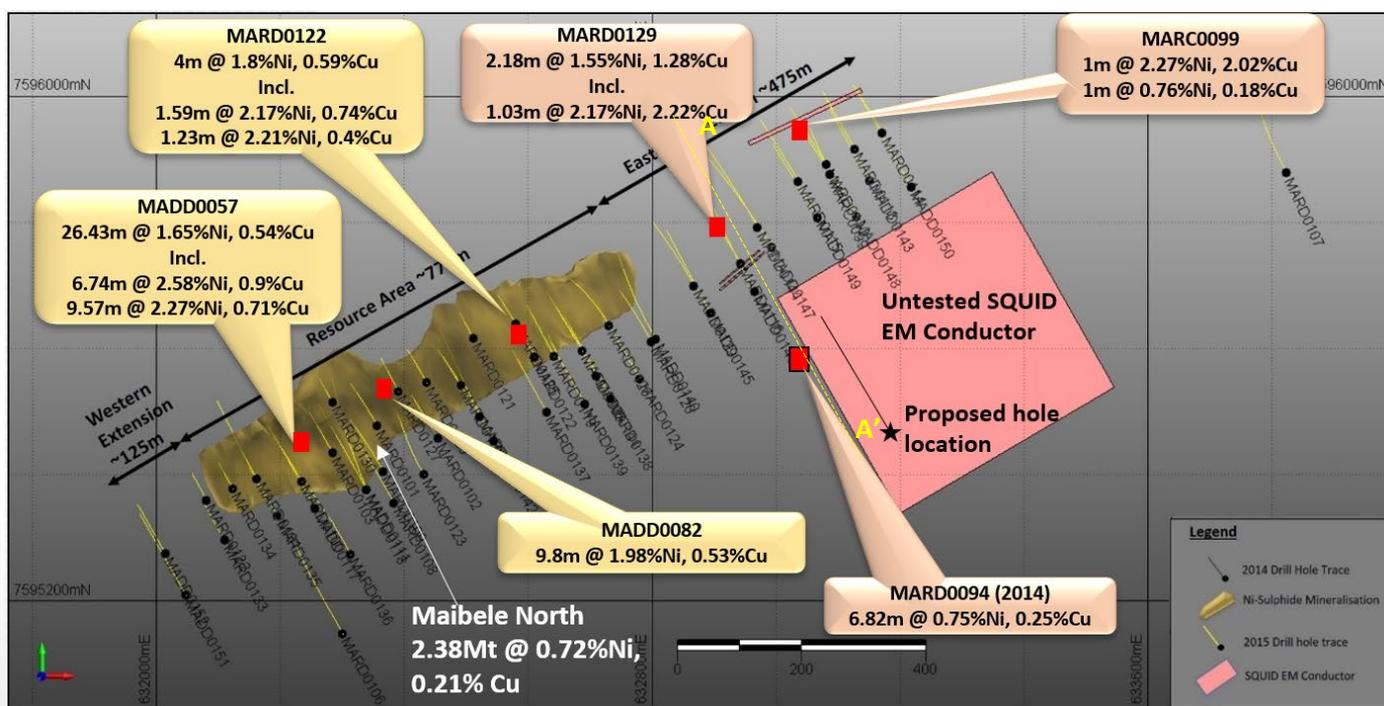


Figure 5: Location of the proposed drill hole (black star) to MARD0094 and the Maibele North JORC 2012 Inferred Resource (see ASX announcement 28/04/2015). The large pink square represents a large SQUID EM conductor that lies adjacent to the MARD0094 intersection. Line A-A' marks the cross-section location presented in Figure 4. (all drill results have been reported publicly in ASX announcements 13/01/2015, 27/01/2016)

1. Jacobsen J.B.E. and McCarthy T.S., 1976: An Unusual Hydrothermal Copper Deposit at Messina, South Africa. *Economic Geology*, Vol. 71, 1976, pp 117 – 130
2. Cairncross, B., 1991: The Messina Mining District, South Africa. *Mineralogical Record*, 1991

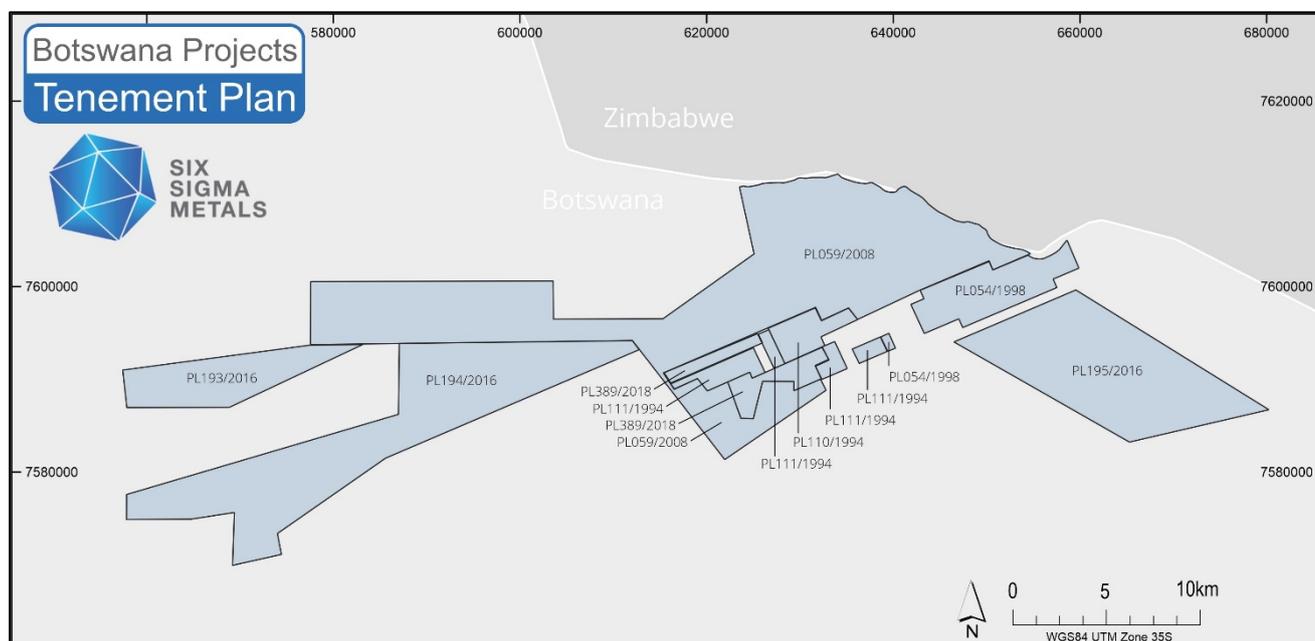


Figure 6: Si6 tenement map in eastern Botswana

BCL liquidation update

In relation to the liquidation of joint venture partner, BCL Limited, discussions with the liquidator have revealed that a number of indicative offers have been received and are in the process of being assessed. Last month, the Minister for Mineral Resources, Green Technology and Energy Security, Lefoko Moagi told Botswanan Parliament that the government has identified three possible investors who are interested in bringing the BCL mines back to life. Mr Moagi indicated that the government expects to have chosen new owners by December 2020. Si6 has no clarity on either the timing or outcomes of those assessments neither the prospects of a successful liquidation. However, Si6 is closely monitoring progress.

By way of background, 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."

Corporate & funding

Si6's cash position as at 30 September 2020 was +\$3.1M. In July, a placement for ~\$1M was completed. Whilst in August, an SPP of \$1.4M was completed.

Additional ASX Information

ASX Listing Rule 5.3.1

Exploration and Evaluation during the quarter was \$194,000. The majority of this was spent on field exploration in Botswana.

ASX Listing Rule 5.3.2

There was no substantive mining production and development activities during the quarter.

ASX Listing Rule 5.3.5

During the period, the Company paid \$57,128 to related parties, these payments were made to Directors of Si6 for salaries and directors fees, on normal commercial terms.



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 acquired or relinquished during the quarter and their location

Not applicable.

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 the Board of Si6 by Patrick Holywell (Executive Chairman).



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Disclaimer

In relying on the above mentioned ASX announcements 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.

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. Si6 recently entered into an option agreement to acquire the Monument Gold Project in Western Australia. The Project lies in the world class Laverton Tectonic Zone, which to date has produced more than 30 million ounces of gold and yielded some of Australia’s best-known gold mines.

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")

30 September 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation (if expensed)	(52)	(52)
(b) development	-	-
(c) production	-	-
(d) staff costs	(49)	(49)
(e) administration and corporate costs	(142)	(142)
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	5	5
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(237)	(237)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	(50)	(50)
(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 (3 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	(50)	(50)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	2,400	2,400
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	467	467
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(208)	(208)
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	2,659	2,659

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	800	800
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(237)	(237)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(50)	(50)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,659	2,659

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 (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	3,171	3,171

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	3,171	800
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)	3,171	800

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
(57)
-

Director and consulting fees paid to Directors and/or Director related entities

\$57,128

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)	(237)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	-
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(237)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	3,171
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	3,171
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	13
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: 30 October 2020

Authorised by: The Board of SI6

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.