

**JUNE 2020 QUARTERLY REPORT**

**Kwinana Battery Graphite Manufacturing Facility  
Secures its First Offtake Agreement**

**INTEREST IN LITHIUM-ION BATTERY RECYCLING PROGRAMS  
PROVIDES NEW MARKET OPPORTUNITY**

**EcoGraf Limited (“EcoGraf” or “the Company”) (ASX: EGR)** is pleased to release its activities and cash flow report for the three months ended 30 June 2020.

**Highlights**

Despite global disruptions and significant cost reduction measures arising from the Covid-19 pandemic, the Company made significant progress during the quarter on all key business areas.

- **Successful completion of \$3.79m capital raising providing financial certainty for the Company to complete funding and pre-development programs for the new EcoGraf™ battery material business**
- **Kwinana battery graphite manufacturing facility**
  - + Non-binding agreement signed with thyssenkrupp Materials Trading GmbH, a subsidiary of major German technology group thyssenkrupp AG, for the sale of battery graphite products
  - + Due diligence processes continuing in relation to in-principle debt funding support received from Export Finance Australia
  - + Commercial terms for the EPC agreement and pre-development activities advanced and expected to be finalised next quarter
  - + Key terms agreed with the Western Australian Government for the commercial arrangements to secure 6.7ha site and final agreement is expected next quarter
  - + High purity fines qualified with European customers, providing an opportunity for the sale of higher margin EcoGraf™ fines by-products
  - + Battery electrochemical results confirm superior performance advantages for preferred feedstocks
- **Battery recycling programs commenced with a range of battery industry participants in Australia, Asia and Europe with programs focussed on two key areas**
  - + Production scrap generated during the manufacture of lithium-ion batteries
  - + Recycled lithium-ion batteries after hydrometallurgical process have recovered the cathode metals (Ni, Co, Li, Cu)
- **Epanko debt financing**
  - + Further meetings held with Tanzanian Government to advance the US\$60 million debt financing proposal submitted to the Government of Tanzania for the construction of the new Epanko Graphite Mine
- **World Bank Group 'Minerals for Climate Action' report forecasts graphite to comprise 54% of the total volume of future mineral demand for energy applications and recycling critical to minimize climate change impacts**

## BUSINESS STRATEGY

EcoGraf is building a vertically integrated business to produce high purity graphite for the lithium-ion battery and advanced manufacturing markets. Over US\$25 million has been invested to date to create two highly attractive, development ready graphite businesses.

The first new state-of-the-art **EcoGraf** processing facility in Western Australia will manufacture spherical graphite products for export to Asia, Europe and North America using a superior, environmentally responsible purification technology to provide customers with sustainably produced, high performance battery anode graphite. Subsequently, the battery graphite production base will be expanded to include additional processing facilities in Europe and North America to support the global transition to clean, renewable energy in the coming decade.

To complement these battery graphite operations, the Company is also developing the **TanzGraphite** natural flake graphite business, commencing with the Epanko Graphite Project, which will supply additional feedstock for the spherical graphite processing facilities and provide customers with a long term supply of high quality graphite products for industrial applications such as refractories, recarburisers and lubricants.



### BATTERY GRAPHITE MANUFACTURING PROJECT - KWINANA, WA

- ✓ 20,000tpa Battery (Spherical Graphite)
- ✓ US\$35M Annual EBITDA
- ✓ 37% Internal Rate of Return
- ✓ US\$141M Pretax NPV<sub>10</sub>
- ✓ Payback ~4yrs

### TANZGraphite

#### EPANKO GRAPHITE MINING PROJECT - TANZANIA

- ✓ 60,000tpa Natural Flake Graphite
- ✓ US\$44.5m Annual EBITDA
- ✓ 38.9% Internal Rate of Return
- ✓ US\$211m Pretax NPV<sub>10</sub>
- ✓ US\$2B Forecast Contribution to Tanzania



## QUARTERLY ACTIVITY UPDATE

### KWINANA BATTERY GRAPHITE DEVELOPMENT

The Company has made significant progress during the quarter on the development of the new 20,000tpa battery graphite facility in Western Australia.



[PLAY MOVIE](#)

#### FLEXIBILITY WITH MODULAR DESIGN



The Kwinana facility will be the first of its kind to be constructed outside of China and will provide a new supply of high quality and cost competitive purified spherical graphite for the lithium-ion battery market.



The Company is assisting Export Finance Australia to undertake the necessary commercial and technical due diligence processes for the potential debt financing arrangements.

A detailed financial model has been prepared for the Kwinana funding process that incorporates proposed terms for a US\$35 million debt funding package, comprising approximately 50% of the total construction cost (refer ASX announcement *EcoGraf Lithium Valley Development* 11 June 2019). The new state-of-the-art processing plant will incorporate the Company's proprietary processing EcoGraf™ technology to manufacture purified spherical graphite for the lithium-ion battery market.

A summary of the key activities for the Kwinana development carried out during the quarter is provided below.

### **Product Sales and Agreement**

During the quarter, the Company announced it had executed a non-binding agreement with thyssenkrupp Materials Trading GmbH, a subsidiary of major German technology group thyssenkrupp AG.

The agreement is for the sale of 50% of the planned production of purified spherical graphite battery anode material and by-product (fines) for an initial term of 10 years from the commencement of production, renewable by mutual agreement.

The Company remains confident of finalising further sales and offtake arrangements as discussions advance with existing customers and the Company continues to receive strong interest from prospective customers seeking to secure sustainable battery material supply chains.

### **EPC Agreement, Pre-development Activities and Kwinana 6.7ha Industrial Site**

The Company continued to work with its engineering partner GR Engineering on finalising the EPC contract and pre-development activities. The Company expects to finalise the agreement shortly.

During the quarter, the Company also finalised commercial terms with the Western Australian Government for the lease of the 6.7ha site in the Kwinana Industrial Area, located 30km south of Perth.

As the proposed 20,000tpa plant requires 2ha, the 6.7ha site has been divided into two leases (see Stage 1 and 2 below) to provide sufficient area for future plant expansion as required.



### **Production Qualification**

The Company continued its product qualification program to advance co-operation, offtake and strategic partnerships through the development and testing of product samples at its piloting facility in Germany.

Expressions of interest for product samples includes anode producers, battery manufacturers and electric vehicle manufacturers.

During the quarter, the Company announced that it has received confirmation that the high purity graphite, which is produced by purifying low value graphite by-product fines utilising the EcoGraf™ process, had been qualified by two leading European industrial customers after satisfying their strict physical and chemical specifications.

Typically, the market value of the by-product fines is quite low and equal to the feedstock cost, but based on current market prices for equivalent products, by purifying the fines, significantly higher prices of up to €\$2,000 (A\$3,450) per tonne are expected to be realised for the value-added products.

### Battery Electrochemical Results

During the quarter, the Company received the battery electrochemical results for its preferred feedstocks. The electrochemical testwork was carried out at a leading German Research Institute and was undertaken to evaluate the relationship between electrochemical performance and individual graphite sources.

The results increased product intelligence and confirmed that feed source perform differently with some performing better than others.

The Company is positioning its Kwinana supply as a preferred alternative as demand for a diversified and responsibly produced battery graphite supply is increasing from leading Europe, North East Asia and US supply chain customers.

### Patent Application

During the quarter, the Company announced it had lodged a new patent application with IP Australia (an agency of the Department of Industry, Innovation and Science) over the Company's EcoGraf™ proprietary purification process, to include the recovery of high purity graphite from recycled lithium-ion battery material known as 'black mass' and to incorporate improvements to optimise the battery graphite purification process flowsheet.

### LITHIUM-ION BATTERY RECYCLING

Significant interest has been received from third parties since the Company reported that it has successfully trialled its EcoGraf™ proprietary graphite purification technology to recycle lithium-ion battery anode material in Germany.



During the quarter, recycling programs commenced with a range of battery industry participants operating in Australia, Asia and Europe. The testwork programs are focussed on recycling of lithium-ion battery production scrap and end-of-life lithium-ion batteries after hydrometallurgical process have recovered cathode metals (Ni, Co, Li, Cu).

The Company expects to report the results of this testwork during the current quarter and the application of the EcoGraf™ purification process for recycling provides an opportunity to support electric vehicle and battery manufacturers achieve sustainable, closed-loop manufacturing processes as part of the global effort to develop a circular economy through zero-waste batteries to address the growing environmental costs from end-of-life batteries and to improve battery manufacturing efficiencies.



Government and industry are actively working to establish effective recycling processes to improve waste recovery, with Bloomberg forecasting the battery recycling market to reach US\$18 billion over the next decade.





## EPANKO GRAPHITE PROJECT

The Epanko Graphite Project (“Epanko” or “the Project”) is a development ready Tanzanian natural flake graphite project. Key milestones achieved to date include:



- + Bankable Feasibility Study (“BFS”) completed by GR Engineering
- + Bank appointed Independent Engineer’s Review completed by SRK Consulting (UK), confirming that the BFS adequately addresses all technical aspects of the proposed development and the social and environmental planning aspects satisfy IFC Performance Standards and World Bank Group Environmental, Health and Safety Guidelines
- + Offtake commitments for the planned production secured in Asia (Sojitz Corporation) and Europe (thyssenkrupp and a large European graphite trading group)
- + Resettlement Action Plan approved by the Tanzanian Government
- + Mining Licence granted; and
- + Letter of Intent with GR Engineering for early works program and EPC construction contract.

### Debt Financing

During the quarter, the Company continued to progress the senior debt financing of the new Epanko graphite mine with KfW IPEX-Bank and a second financial institution.

Meetings were held with relevant Government Ministries in Tanzania to discuss the US\$60 million financing proposal made to the Government for the construction of the Project. The proposal was developed in conjunction with KfW IPEX-Bank with the aim of simplifying and fast-tracking the entire debt financing process in Tanzania (refer ASX Announcement *Government Breakthrough Paves Way for Epanko Financing and Development* 28 January 2020).

The financing proposal accommodates the Government’s requirements under the new mineral sector legislation and provides an opportunity for Tanzania to develop a world class graphite mine in the Ulanga District, Morogoro Region that will operate under globally leading Equator Principles for social and environmental planning, including International Finance Corporation Performance Standards and World Bank Group Environmental, Health and Safety Guidelines.

Subject to the agreement of the Government of Tanzania, the Company and KfW IPEX-Bank are ready to proceed to prepare formal loan documentation that will enable the proposed financing arrangements to be implemented.

### Social and Environmental Sustainability

Epanko is unique in its Equator Principles development model. The Project has been designed to meet the strictest standards for social and environmental sustainability and to be fully compliant with IFC Performance Standards and the Equator Principles. These high standards of sustainability provide assurance to financiers and customers that Epanko products will be responsibly produced for the benefit of all stakeholders. The importance of sustainable development is reflected in the increasing emphasis globally on transparent supply chains and ethically sourced minerals.

### Positive Economic Impact

The Project has strong economics and in addition to generating a pre-tax NPV<sub>10</sub> of US\$211m for shareholders, will make a long-term, inter-generational contribution to economic, industrial and social development within Tanzania. It is expected to operate for over 40 years, during which time it is forecast to directly contribute over US\$2 billion to Tanzania through local employment, procurement, royalties, taxes and dividends. Over 95% of the 300 permanent staff will be Tanzanian, with an estimated 4,500 indirect jobs to be supported by the operation.

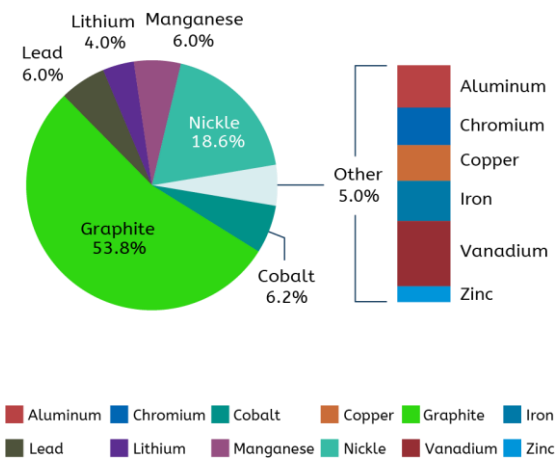


## BATTERY GRAPHITE MARKET

The World Bank Group issued a 'Minerals for Climate Action' report in May 2020 highlighting the need for efficient battery mineral extraction and use, noting that:

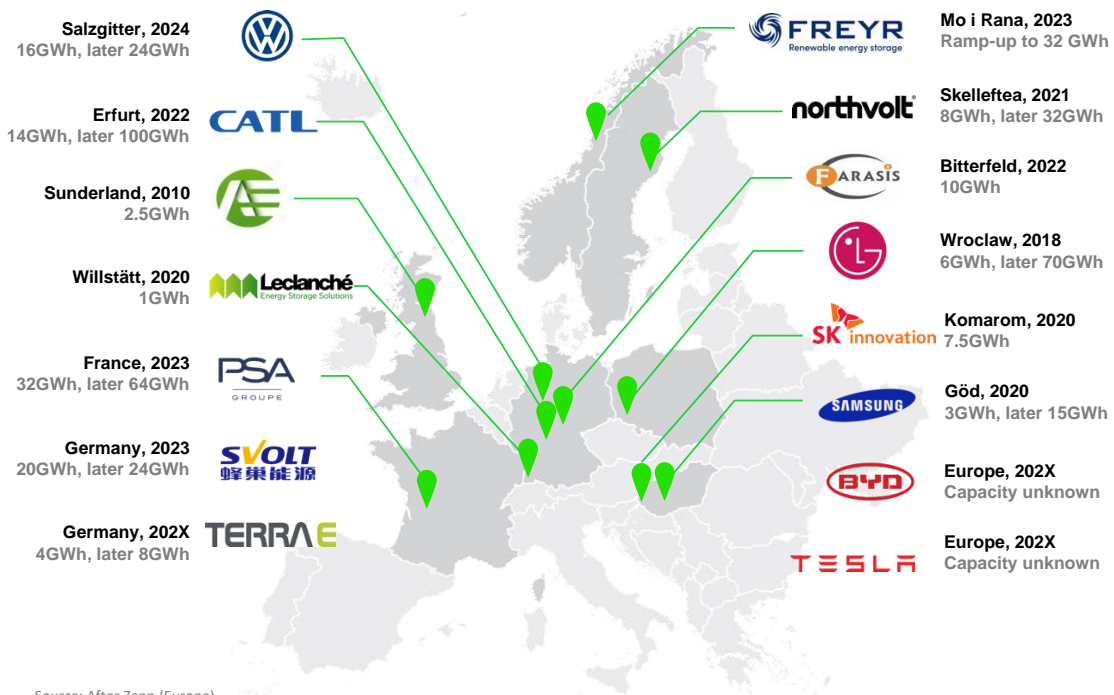
- + Effective recycling is critical to minimize climate change impacts resulting from the increased use of minerals in the transition to renewable energy.
- + Graphite is forecast to comprise 54% of the total volume of future mineral demand for energy applications.
- + Over 3 billion tonnes of battery minerals will be needed by 2050 to transition to renewable energy.

<http://pubdocs.worldbank.org/en/961711588875536384/Minerals-for-Climate-Action-The-Mineral-Intensity-of-the-Clean-Energy-Transition.pdf>



During the quarter, development intensity continued in Europe, with COVID-19 strengthening Europe's resolve to build its own battery minerals supply chain.

There are now announced plans for an estimated 500 GWh annual production capacity for lithium-ion battery cells in Europe, which is equivalent to 7 million electric vehicles.



Source: After Zenn (Europe)



## Other significant news in Europe supporting the transition to EV's

- + The UK Government providing £6,000 stimulus scheme to swap their diesel and petrol cars for electric and has ramped up its efforts to attract a lithium-ion battery mega-factory/ giga-factory in a bid to build a new domestic lithium-ion economy, with £1bn of funding to kick start the initiative.
- + Germany will require petrol stations to provide electric car charging and will double existing subsidies to €6,000 for electric vehicles that cost up to €40,000.

## CORPORATE

### Cost Management

In recognition of the impact of the on-going COVID-19 containment measures, the directors and management implemented a number of actions to preserve shareholder funds, whilst maintaining the positive business progress that has been achieved in recent months.

Salaries for the managing director and management were reduced by 50% during the quarter with ongoing reductions of 20% for directors and management effective for the remainder of 2020.

The Company has also further reduced all non-essential project development expenditure in Tanzania as it focusses on progressing the US\$60m KfW-IPEX Bank debt financing proposal.

### Marketing

Due to the COVID-19 travel restriction, marketing was restricted to on-line presentations and meetings. Activities included:

- + Corporate video update with The Market Herald.
- + EcoGraf featured in the Swiss broadcaster SRF's business and economics program 'ECO', which covered WA's emerging "Lithium Valley" which is reported to become a long-term provider of raw material for the lithium-ion battery market. The program included Hon. Mr Bill Johnston, Minister for Mines and Energy, Western Australia discussing the industry and an overview of EcoGraf's proposed 20,000tpa Kwinana facility to produce battery graphite.
- + Kwinana's Lithium Valley features on ABC's 'The Drum' program which discussed the opportunity to value-add minerals in Western Australia in support of a battery manufacturing industry.



### European Battery Alliance

The company became member of the European Battery Alliance during the quarter. The European Battery Alliance (EBA) was launched in October 2017 and provides cooperative platform with the European Commission, interested EU countries, the European Investment Bank and key industrial stakeholders.

The objective of EBA is to create a competitive manufacturing value chain in Europe with sustainable battery cells at its core <https://www.eba250.com/>.

### Board Change

During the quarter, long term executive director, Mr Grant Pierce, stood down from the Board with effect from 12 June 2020. Grant's departure from the Board is in keeping with other cost saving measures implemented to reduce the holding costs in Tanzania until approval is received for a US\$60 million debt financing proposal developed with KfW IPEX-Bank that is awaiting approval from the Tanzanian Government.



Grant played a pivotal role in the development of the Company, leading to the Company receiving the Epanko Graphite Project Environmental Certificate, Mining Licence, delivering the Bankable Feasibility Study and subsequent completion of KfW IPEX-Bank independent due diligence.

## Cash

Cash at 30 June 2020 was \$2.78 million and details of cash flows during the quarter are set out in the attached Appendix 5B.

The company expects to finalise its R&D return during the next quarter which is expected to amount to ~ \$0.5m.

Payments made to related parties during the quarter set-out in item 6 of Appendix 5B were for directors' remuneration and technical consulting fees. Details of directors' remuneration and fees are provided each year in the Remuneration Report of the Company's Annual Report.

## Share Capital

As at 30 June 2020, share capital comprised:

- Issued fully paid ordinary shares: 363,986,768

## SCHEDULE OF TENEMENTS

Licence	Ownership interest	Acquired/disposed during the quarter	Area (km <sup>2</sup> )	Location
ML 548/2015	100%	No change	9.62	Mahenge, Tanzania
PL 7907/2012	100%	No change	26.42	Merelani-Arusha, Tanzania
PL 9306/2013	100%	No change	17.53	Mahenge, Tanzania
PL 9331/2013	100%	No change	2.76	Mahenge, Tanzania
PL 10092/2014	100%	No change	23.23	Merelani-Arusha, Tanzania
PL 10388/2014	100%	No change	2.57	Mahenge, Tanzania
PL 10390/2014	100%	No change	2.81	Mahenge, Tanzania
PL 10869/2016	100%	No change	29.95	Merelani-Arusha, Tanzania
PL 10872/2016	100%	No change	2.60	Merelani-Arusha, Tanzania
PL 10972/2016	100%	No change	3.83	Mahenge, Tanzania
PL 11081/2017	100%	No change	2.08	Merelani-Arusha, Tanzania
PL 11082/2017	100%	No change	20.77	Merelani-Arusha, Tanzania
PL 11143/2017	100%	No change	2.62	Merelani-Arusha, Tanzania
PL 11196/2018	100%	No change	46.72	Merelani-Arusha, Tanzania
PL 11386/2019	100%	No change	6.73	Merelani-Arusha, Tanzania

This report is authorised for release by the Board.

**For further information, please contact:**

## INVESTORS

**Andrew Spinks**  
 Managing Director  
 T: +61 8 6424 9002





## Forward looking statements

Various statements in this announcement constitute statements relating to intentions, future acts and events. Such statements are generally classified as “forward looking statements” and involve known and unknown risks, uncertainties and other important factors that could cause those future acts, events and circumstances to differ materially from what is presented or implicitly portrayed herein. The Company gives no assurances that the anticipated results, performance or achievements expressed or implied in these forward-looking statements will be achieved.

## Production targets and financial information

Information in this announcement relating to the Bankable Feasibility Study conducted on the Epanko Graphite Project, including production targets and forecast financial information derived from the production targets, included in this announcement is extracted from an ASX announcement dated 21 June 2017 “Updated Bankable Feasibility Study” available at [www.ecograf.com.au](http://www.ecograf.com.au) and [www.asx.com.au](http://www.asx.com.au). The Company confirms that all material assumptions underpinning the production targets and forecast financial information derived from the production targets set out in the announcement released on 21 June 2017 continue to apply and have not materially changed.

Information in relation to the feasibility study conducted on the production of battery-grade graphite using the Company's EcoGraf technology, including production targets and forecast financial information derived from the production targets, included in this announcement is extracted from an ASX announcement dated 5 December 2017 “Battery Graphite Pilot Plant”, as updated on 17 April 2019 “EcoGraf Delivers Downstream Development”, available at [www.ecograf.com.au](http://www.ecograf.com.au) and [www.asx.com.au](http://www.asx.com.au). The Company confirms that all material assumptions underpinning the production targets and forecast financial information derived from the production targets set out in the announcement released on 5 December 2017, as updated on 17 April 2019, continue to apply and have not materially changed.

## Competent persons

Any information in this document that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Andrew Spinks, who is a Member of the Australasian Institute of Mining and Metallurgy included in a list promulgated by the ASX from time to time. Andrew Spinks is a director of EcoGraf Limited and 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 for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Andrew Spinks consents to the inclusion in this document of the matters based on his information in the form and context in which it appears.

Information in this document that relates to Mineral Resources is based on information compiled by Mr David Williams, a Competent Person, who is a Member of the Australasian Institute of Mining and Metallurgy. David Williams is employed by CSA Global Pty Ltd, an independent consulting company and 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 for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. David Williams consents to the inclusion in this document of the matters based on his information in the form and context in which it appears.

Information in this document that relates to Ore Reserves has been compiled by Mr Steve O'Grady, who is a Member of the Australasian Institute of Mining and Metallurgy. Steve O'Grady is a full-time employee of Intermine Engineering and produced the Mining Reserve estimate based on data and geological information supplied by Mr Williams. Mr O'Grady has sufficient experience which is relevant to the estimation, assessment, evaluation and economic extraction of the Ore Reserve that he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves”. Steve O'Grady consents to the inclusion in this document of the matters based on his information in the form and context in which it appears.



## Appendix 5B

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

Name of entity

EcoGraf Limited

ABN

15 117 330 757

Quarter ended ("current quarter")

30 June 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(12)	(135)
(b) development	-	-
(c) production	-	-
(d) staff costs	(153)	(526)
(e) administration and corporate costs	(304)	(995)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	1
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	232
1.8 Other (financing, product marketing and business development)	(499)	(1,534)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(968)</b>	<b>(2,957)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	(4)
(d) exploration & evaluation	(24)	(759)
(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 (12 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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(24)</b>	<b>(763)</b>
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	3,792	5,150
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	(121)	(151)
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 (release of cash bond)	-	40
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>3,671</b>	<b>5,039</b>
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	99	1,462
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(968)	(2,957)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(24)	(763)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	3,671	5,039

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	-	(3)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>2,778</b>	<b>2,778</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	2,778	59
5.2	Call deposits	-	40
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>2,778</b>	<b>99</b>

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

- |   | <b>Current quarter<br/>\$A'000</b> |
|---|------------------------------------|
| 6.1 Aggregate amount of payments to related parties and their associates included in item 1 | 154                                |
| 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 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

Directors' remuneration and technical consulting fees.



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

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<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	300	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
<b>7.4 Total financing facilities</b>	<b>300</b>	<b>-</b>
<b>7.5 Unused financing facilities available at quarter end</b>		<b>300</b>
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.		
Unsecured, interest-free loan facility provided by related entities of the Directors for an indefinite term, subject to cancellation and repayment on receipt of 30 days written notice.		

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(968)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(24)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(992)
8.4 Cash and cash equivalents at quarter end (item 4.6)	2,778
8.5 Unused finance facilities available at quarter end (item 7.5)	300
8.6 Total available funding (item 8.4 + item 8.5)	3,078
<b>8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	<b>3.1</b>

*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:

8.8.1 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:

8.8.2 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:

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

*Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.*

## 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 July 2020

Authorised by: the board

## 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.