

30 OCTOBER 2020

ASX ANNOUNCEMENT

ASX: EGR

## SEPTEMBER 2020 QUARTERLY REPORT

### WA Manufacturing Facility Site Secured

**Agreement with leading lithium-ion battery recycler located in South Korea demonstrates support to commercialise 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 September 2020.

#### HIGHLIGHTS

The Company made significant progress during quarter on all key business areas.

- **Western Australia (WA) battery graphite manufacturing facility**

- + Preparation of a development report and updated financial model for the new facility as part of funding and project implementation programs, with final peer review in progress and key outcomes expected to be released shortly
- + EPC and early works program progressing with GR Engineering
- + 6.7ha site secured and announced on site by Western Australian Premier Mark McGowan and Minister Bill Johnston
- + EcoGraf featured in Australian Federal Government’s recently established Critical Minerals Facilitation Office inaugural report, Department of Industry, Science, Energy & Resources case study series and CSIRO latest report which provides the foundation for new battery industries in Australia
- + Further lithium-ion battery electrochemical results demonstrate the importance of battery graphite crystallinity, which has a direct effect on battery performance factors

- **Battery recycling programs continued with a range of battery industry participants in Australia, Asia and Europe**

- + Testwork programs focussed on recovery of carbon anode material:
  - o Production anode waste generated during the manufacture of lithium-ion batteries
  - o Black mass material remaining from recycled lithium-ion batteries after hydrometallurgical process have recovered the cathode metals
- + Significant results achieved for both production anode waste and black mass materials
- + Reuse of the recovered carbon anode material has significant potential to assist EV and battery manufacturers lower battery costs and carbon emissions
- + Agreement with a leading lithium-ion battery recycler located in South Korea to evaluate the EcoGraf™ proprietary process
- + World Bank report highlights importance of recycling to support the transition to renewable energy, with Bloomberg forecasting recycling market to be worth US\$18 billion by 2030

- **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
- + Tanzanian Presidential election was held on the 28<sup>th</sup> October

## 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.

In addition, the Company's breakthrough recovery of carbon anode material from recycled batteries using its EcoGraf™ process will enable the recycling industry to reduce battery waste and use recycled carbon anode material to improve battery lifecycle efficiency.

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\$3B 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 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.

The Company is assisting Export Finance Australia with commercial and technical due diligence processes in relation to debt financing arrangements for the new development.

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

### Development Report

A development report has been prepared to support the Kwinana funding and project implementation programs, with a peer review currently in progress and key outcomes to be released during November.

### EPC Construction Arrangements and Pre-Development Activities

The Company continued to work with its engineering partner GR Engineering on the EPC construction arrangements and pre-development activities.

### WA Industrial Site and Government Support

On 28 September the Company announced (refer ASX announcement *EcoGraf Secures WA Government Support with 6.7ha Site*) it had secured an option for the lease of a 6.7ha site in the highly sought-after Kwinana-Rockingham Industrial Area, located 30km south of Perth.

The agreement with the Western Australian Government was announced at the site by Western Australian Premier Mark McGowan and Minister Bill Johnston.



**Photo (R-L)** – WA Premier Mr Mark McGowan, Minister Mr Bill Johnston and DevelopmentWA Chief Executive Mr Frank Marra with EcoGraf's Robert Pett, Andrew Spinks and Howard Rae

The large industrial site was selected to provide significant area for future plant expansion to meet the expected demand. The proposed 20,000tpa plant requires ~2ha.



PLAY VIDEO - ECOGRAF BATTERY GRAPHITE MANUFACTURING FACILITY SITE LOCATION  
<https://youtu.be/Jb0xIhFSdsU>



Location of 6.7ha site, main road extension on Alumina road for improved road transport, water treatment plant and proposed Westport harbour development

The Australian Government Department of Industry, Science, Energy and Resources launched its case study on new developments, which includes EcoGraf's WA Manufacturing facility.

The video also coincides the Federal Government's \$1.5 billion Modern Manufacturing Strategy and the Company is pleased to advise that the Minister for Industry, Science and Technology Karen Andrews released a video case study that includes EcoGraf's WA Manufacturing facility.

The video is part of the 'make it happen' modern manufacturing strategy.

View the EcoGraf case study video on the following link: <https://youtu.be/1fiWmYrd3WM>



EcoGraf's development is also included in a new report from the Commonwealth Scientific and Industrial Research Organisation (CSIRO) which provides the foundation for new battery industries in Australia.



<https://www.ecograf.com.au/wp-content/uploads/2020/10/Media-Release-Study-provides-foundation-for-new-battery-industries-in-Australia.pdf>

### Product Sales and Agreement

Last 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.

### Production Qualification

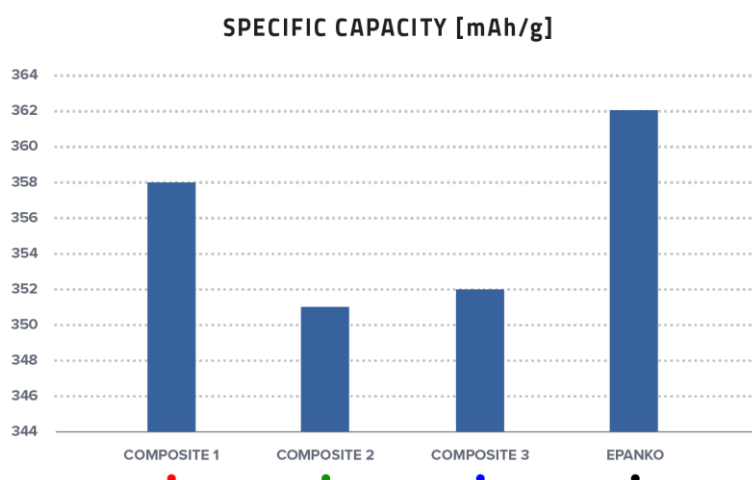
The Company continued its product qualification program to advance co-operation, offtake and strategic partnerships through the development and testing of product samples at its piloting facility in Germany.

Expressions of interest for product samples includes anode producer's, battery manufacturers and electric vehicle manufacturers.

### Lithium-ion Battery Electrochemical Results

During the quarter, the Company received further battery electrochemical results for its preferred feedstocks. (refer ASX announcement *Electrochemical Results Confirm Superior Performing EcoGraf™ Battery Material* 12 August 2020).

The results highlighted EcoGraf's preferred feedstocks, including Epanko material, demonstrated superior performance against existing material used in the lithium-ion battery market



Epanko feedstock results

Results demonstrated the importance of battery graphite crystallinity which has a direct effect on battery performance factors such as power output, battery life and charging capability.

## LITHIUM-ION BATTERY RECYCLING

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

Recycling programs continued with a range of battery industry participants operating in Australia, Asia and Europe.

The testwork programs were 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).

### Recovered Carbon Anode Material Results

During the quarter, the Company announced (refer ASX announcement *Significant Battery Recycling Results* 17 August 2020) results from its ongoing customer recycling program's using EcoGraf™ proprietary purification process to recover high purity battery anode material from lithium-ion battery materials.

	PRODUCTION SCRAP (%C)	BLACK MASS (%C)
Product Sample	98-99.85%	30-50%
EcoGraf™ Purification	98.6%-100%	98-99.6%

The application of the EcoGraf™ purification process for recycling provides an opportunity to support electric vehicle and battery manufacturers to lower battery costs and carbon emissions

Application of the EcoGraf™ purification provides the Company with a unique advantage, given the expected extensive growth in lithium-ion battery use and manufacturing for electric vehicles and energy storage.

The recycling of batteries and battery materials has become a major environmental and economic concern for both government and industry.



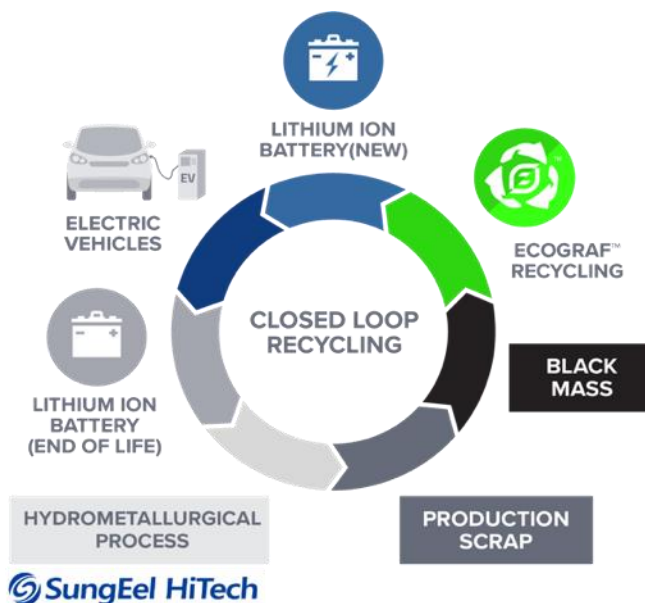
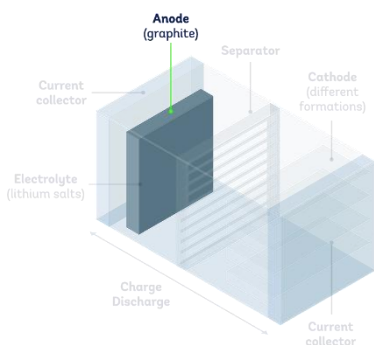
## SungEel Hitech Agreement

The Company also announced (refer ASX announcement *Agreement with Leading Lithium-ion Battery Recycler located in South Korea* 12 October 2020) that it had signed a Memorandum of Understanding (MoU) with SungEel Hitech Co. Ltd (SungEel) to evaluate the EcoGraf™ proprietary purification process to recover and re-use high-purity battery carbon anode material from production scrap and 'black mass' from lithium-ion battery materials produced at their South Korean plant.

SungEel is one of the major lithium-ion battery recycling companies and is well connected to the South Korean lithium-ion battery supply chain, which includes both EV and battery manufacturers. SungEel currently process 24,000 tonnes of lithium-ion battery materials per year, with plans to increase to 56,000 tonnes per year, through their South Korean hydrometallurgical plant to recover cathode metals which includes Ni, Co, Cu, Mn and Li.

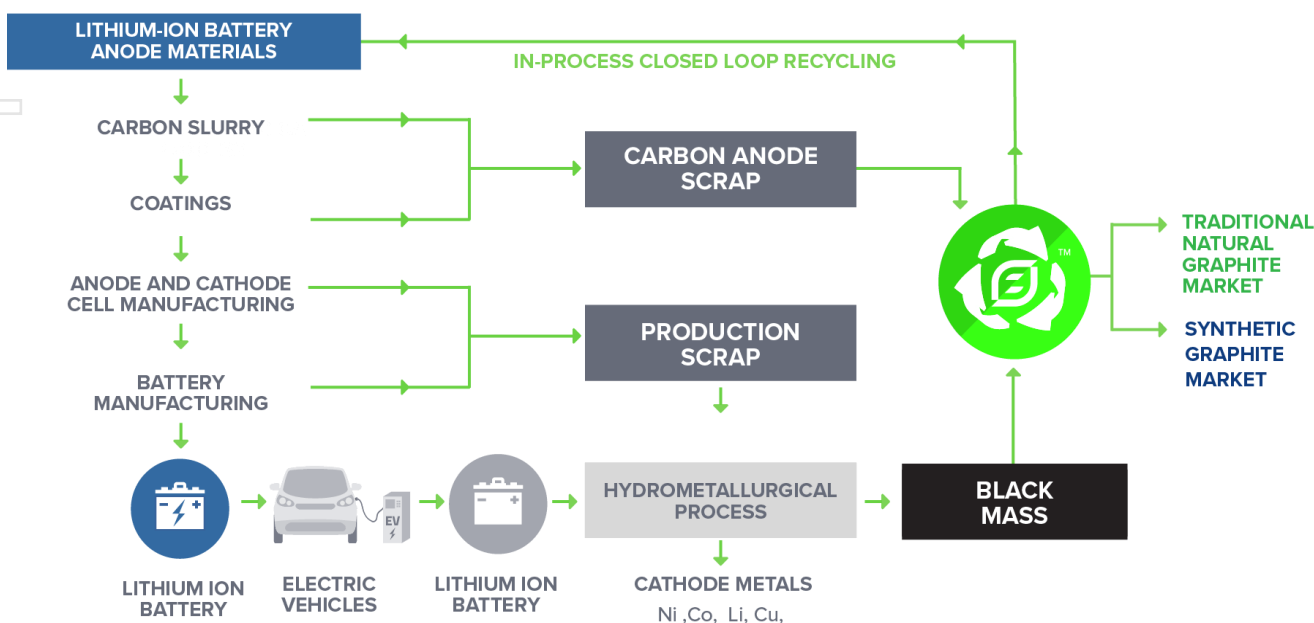
The processed material contains approximately 22% carbon anode material.

Collaboration with supply chain participants is critical to develop closed loop battery manufacturing for carbon anode materials



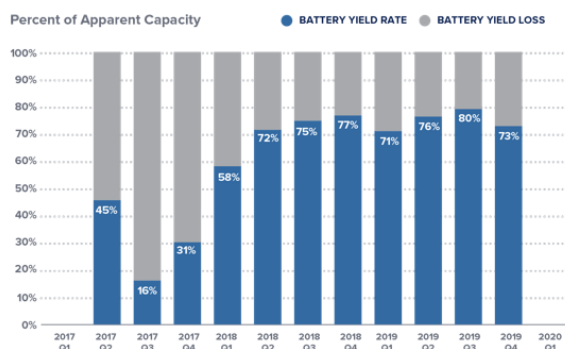
## Recycling Strategy

EcoGraf™ proprietary purification has the potential to provide a tailored and customised solution to increase recycling of recovered carbon anode material. During the quarter, the Company developed its recycling strategy to support greater recycling of lithium-ion batteries.



Reporting during the quarter by the EU and industry groups shows the production waste generated during battery cell manufacturing and product testing is significant, as shown below.

### Battery Cell Production



Production losses during cell production is significant

Production loss during battery cell manufacturing and product testing estimates:

### Potential Market Size as % of Battery Production



Early Production

>30%



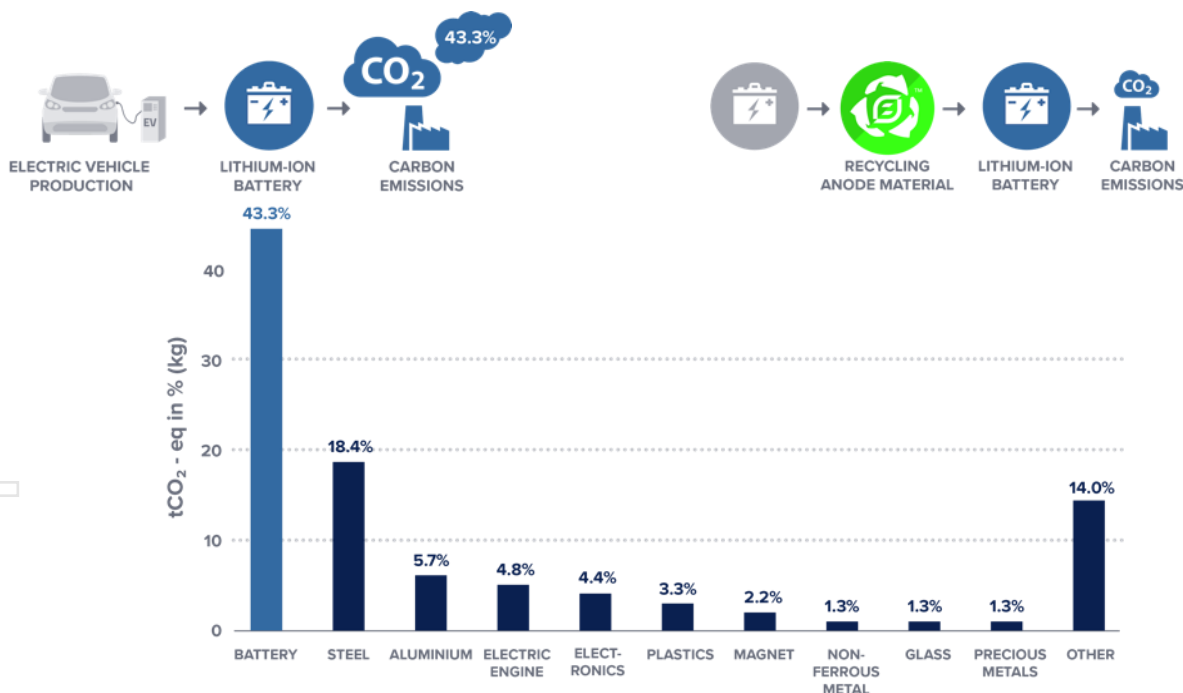
Target

~10%

Source: Panasonic Investor Presentation, Tesla Company Reports

Efforts by EV and battery manufacturers to develop a circular economy through zero-waste batteries are increasing as existing recycling practices are outdated with significant battery material disposed into landfill.

Recycling of carbon anode material has an important role to reduce carbon emissions, given the lithium-ion battery represents over 40% of the carbon (CO<sub>2</sub>) emission footprint of EV production.



Source: (No Canary, Volkswagen)

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

The Company's recycling strategy provides a unique opportunity to blend its high purity battery graphite with the recovered carbon anode materials to support these efforts.

Battery Spherical Graphite (99.98% C)



Recovered Carbon Anode Material



## PATENT APPLICATION

Last 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.

## 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 and following positive feedback from a presentation of the KfW IPEX-Bank debt financing proposal to the Government in August, Government due diligence processes have commenced with a view to preparing an internal submission for formal Government approval of the proposed loan arrangements.

The debt financing proposal was developed in conjunction with KfW IPEX-Bank with the aim of simplifying and fast-tracking the 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 Ulunga 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.

## 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

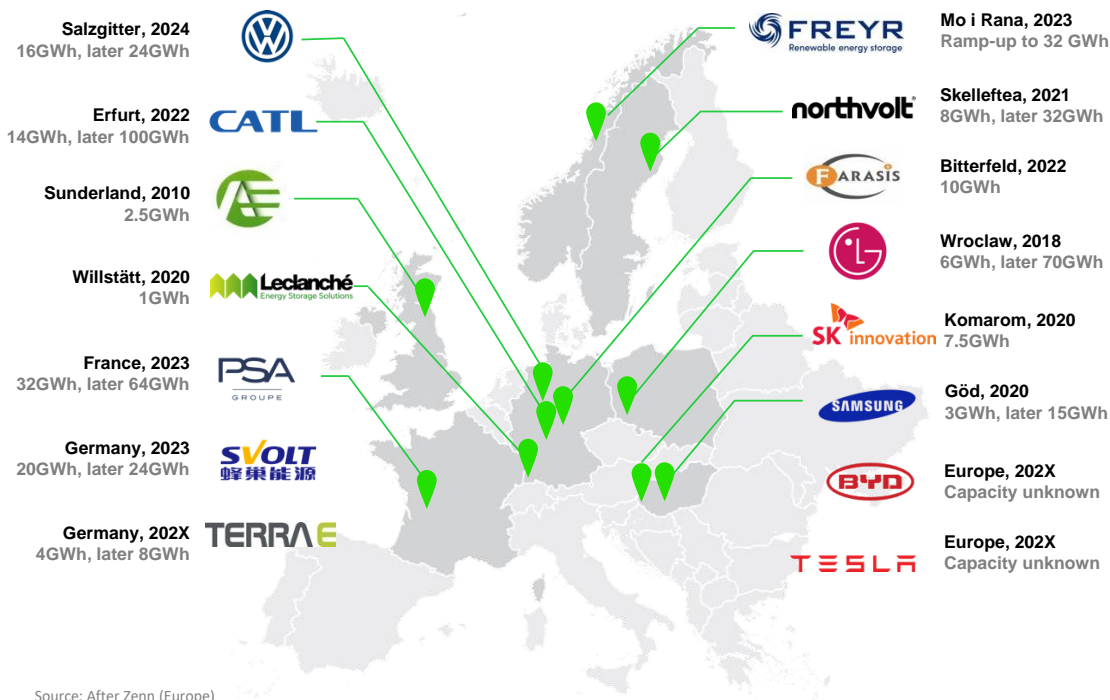
The Project has strong economics and in addition to generating a pre-tax NPV<sub>10</sub> of US\$211m for shareholders, will make a long-term, inter-generational contribution to economic, industrial and social development within Tanzania. It is expected to operate for over 40 years, during which time it is forecast to directly contribute over US\$3 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

Development intensity continued in Europe, with COVID-19 strengthening Europe's resolve to build its own battery minerals supply chain. During the quarter, the European Union issued a plan to reduce the dependence on existing suppliers and implement plans to develop its own supply lines.

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.



Other significant news supporting the transition to EV's, covered in its market news reports included:

- + Panasonic aims to boost energy density in Tesla batteries by 20%
- + Tesla Model 3 retains almost 90% of its value over 3 years
- + BMW will use more recycled materials in its cars by 2030
- + Europe looks to cut dependence on Chinese commodities
- + E-mobility forerunner Volkswagen ensures greater transparency in procurement of battery raw material

The above reports and links can be found at the company website or alternatively 'click' below to join the mailing list.



## CORPORATE

### Cost Management

COVID-19 containment measures continued in order to preserve shareholder funds, whilst maintaining the positive business progress.

Salaries for the managing director and management were reduced by 20% 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 restrictions, marketing was focussed on virtual presentations, meetings and media coverage. Activities included:

- + EcoGraf was invited to present its recent lithium-ion battery recycling results by Benchmark Mineral Intelligence at its Tesla Battery Day
- + EcoGraf featured in Australian Federal Government's recently established Critical Minerals Facilitation Office inaugural news
- + WA State Government outlined the Company's new graphite processing facility in a media release
- + NY publishing house Battery Industry Tech reported on EcoGraf June quarter progress on the Kwinana Battery Manufacturing Facility

### Cash

Cash at 30 September 2020 was \$2.33 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 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. Details of directors' remuneration and fees are provided each year in the Remuneration Report of the Company's Annual Report.

### Annual General Meeting

The Company is convening its Annual General Meeting on Wednesday, 25 November 2020 at 10:00 am (AWST).

### Share Capital

At 30 September 2020, the Company's issued capital comprised 363,986,768 fully-paid ordinary shares.



## 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.ecograp.com.au](http://www.ecograp.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.ecograp.com.au](http://www.ecograp.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 September 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(129)	(129)
(e) administration and corporate costs	(147)	(147)
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	-	-
1.8 Other (financing, product marketing and business development)	(158)	(158)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(434)</b>	<b>(434)</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	-	-
(d) exploration & evaluation	(37)	(37)
(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	25	25
	(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>(12)</b>	<b>(12)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
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	-	-
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)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>-</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	2,778	2,778
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(434)	(434)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(12)	(12)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

## 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	2,332	2,332

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	2,332	2,778
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)	2,332	2,778

**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**

72

-

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.

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

**7. Financing facilities**

*Note: the term "facility" includes all forms of financing arrangements available to the entity.*

*Add notes as necessary for an understanding of the sources of finance available to the entity.*

7.1 Loan facilities

7.2 Credit standby arrangements

7.3 Other (please specify)

7.4 **Total financing facilities**

<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
300	-
-	-
-	-
<b>300</b>	<b>-</b>

7.5 **Unused financing facilities available at quarter end****300**

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 Directors for an indefinite term, subject to cancellation and repayment on receipt of 30 days written notice.

**8. Estimated cash available for future operating activities****\$A'000**

8.1 Net cash from / (used in) operating activities (item 1.9)

(434)

8.2 (Payments for exploration &amp; evaluation classified as investing activities) (item 2.1(d))

(37)

8.3 Total relevant outgoings (item 8.1 + item 8.2)

(471)

8.4 Cash and cash equivalents at quarter end (item 4.6)

2,332

8.5 Unused finance facilities available at quarter end (item 7.5)

300

8.6 Total available funding (item 8.4 + item 8.5)

2,632

8.7 **Estimated quarters of funding available (item 8.6 divided by item 8.3)**

5.6

*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 October 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.