

31 January 2022

## ASX Announcement

# BLACKEARTH MINERALS NL QUARTERLY ACTIVITIES REPORT

Quarter ended 31 December 2021

### PROJECT HIGHLIGHTS

- During the Quarter, BlackEarth ("the Company") announced the exciting results of its exploration program at Maniry including details of **the 32% increase in Total Indicated Graphite inventory** <sup>(1)</sup>
- The extensive drill program at the high grade, under explored Razafy NW area was completed with new **high grade zones** and other positive results announced on 11 October 2021
- In December 2021, the Company announced the results of its updated Scoping Study including the increase of the **Maniry Projects pre tax NPV to US\$230m** (up 126%) and the Life of Mine ("LOM") EBITDA increase from US\$309m to US\$561m <sup>(2)</sup>
- The updated Scoping Study report highlights the **outstanding and strong economic projects for the Maniry Project**

### CORPORATE HIGHLIGHTS

- On 20 October 2021, BlackEarth announced the signing of its formal JV agreement with India based, leading manufacturer of Expandable Graphite and down-stream products, Metachem Manufacturing Pte Ltd.
- The details of the JV with Metachem were included in the Company's updated Scoping Study (reported in December 2021) with plant construction to commence shortly and production planned for Qtr 3 2022.
- During the Quarter, the Company confirmed the appointment of leading Australian Businesswoman and Advisor, Ms Heather Zampatti, to the Board
- Subsequent to the Quarter Ending, the Company announced the details of a capital raising which will leave the Company in a very strong cash and operational position at 31 January 2021
- Cash reserves in excess of \$3.56m as at 31 December 2021 and projected cash on hand to be A\$9.3m as at 31 January 2022 - well positioning the Company to fund its immediate objectives

**BlackEarth Minerals NL (ASX: BEM) ("BlackEarth", or the "Company")**, a company specialising in critical commodities, is pleased to present shareholders and investors with an overview of key developments for the period ending 31 December 2021 ("Quarter", "Reporting Period").

## PROJECTS

### Razafy NW - 32% increase in Total Indicated Graphite inventory at Maniry Project

Initially on 10 October 2021 and then on 17 November 2021, the Company announced the details of its extensive exploration program at Maniry and in particular drilling at the new and underexplored region of Razafy NW.

The highlights of this announcement included:-

- A JORC compliant **Indicated and Inferred Resource for Razafy Northwest of 2.9Mt @ 9.82% TGC**
- The additional Resource provided a significant and **material increase to the Company's inventory of very high-grade Graphite (see Table B below)**
- Evidence of a **higher-grade core of approximately +12% TGC** in both the East and West lenses, which will be a key focus of future exploration activities commencing in 2022
- **The near surface Resource remains open along strike and down dip** with the potential to add to the Company's overall inventory of defined high-grade Graphite

In addition to the above exceptionally good results, the Company announced the maiden resource at Razafy NW with the details as follows: -

Area	Classification	Tonnes (Mt)	Total Graphitic Carbon (%TGC)	Contained (tonnes of graphite)
Razafy NW*	Indicated	1.9Mt	9.6%	182,000
	Inferred	1.0Mt	10.1%	101,000
	<b>TOTAL</b>	<b>2.9Mt</b>	<b>9.8%</b>	<b>283,000</b>

(1) Table A - Razafy NW Mineral Resource Estimates for Maniry Project

*\*Reported at a 6% cut off grade; figures in the table above have been rounded, reported to the appropriate significant figures with graphite tonnages rounded to the nearest thousand, in accordance with the 2012 JORC Code.*

The Razafy NW Indicated and Inferred Resource, comprising of 2.9Mt @ 9.82% Total Graphitic Carbon (TGC) at a 6% TGC cut-off grade is summarised above in Table A. The majority of the Resource has been classified with a high degree of confidence at an 'Indicated' classification, with the remainder classified as 'Inferred'.

**At the time of this announcement, BlackEarth Managing Director, Tom Revy, said:**

*"The success at Maniry of discovering and subsequently defining a high-grade Resource is testament to the skills and experience our team has in Madagascar.*

*This additional discovery at Razafy NW high-grade resources near surface has the potential to materially enhance the project economics and significantly increase the project's life, and will be further investigated as part of the ongoing DFS.*

*These results are exciting outcomes for the Company and we look forward to updating the market with additional positive results in the short term"*

The announcement of 17 November 2021, allowed the Company to update its new Company Resource Inventory with the details as follows –

Area	Classification	Tonnes (Mt)	Total Graphitic Carbon (%TGC)	Contained (tonnes of graphite)
Razafy*	Indicated	8.0Mt	7.2%	576,000
	Inferred	3.2Mt	6.8%	218,000
Razafy NW*	Indicated	1.9Mt	9.6%	182,000
	Inferred	1.0Mt	10.1%	101,000
Haja**	Indicated	-	-	-
	Inferred	9.0Mt	5.8%	522,000
<b>TOTAL</b>	<b>Indicated</b>	<b>9.9Mt</b>	<b>7.7%</b>	<b>758,000</b>
	<b>Inferred</b>	<b>13.2Mt</b>	<b>6.4%</b>	<b>841,000</b>

Table B - Maniry Project Minerals Resources

\*6% TGC cut-off grade

\*\*5% TGC cut-off grade

Reported at the cut off grades above; figures in the table above have been rounded, reported to the appropriate significant figures with graphite tonnages rounded to the nearest thousand, in accordance with the 2012 JORC Code

## Updated Scoping Study demonstrates strong economics for Maniry Project

In December 2021, the Company released the details of its updated Scoping Study ("the Study") which included the updated mineral resource inventory announced the previous month. The Study also included the detailed financial economics of the JV with Metachem in India.

This was a significant milestone event for BlackEarth as not only did the Study demonstrate a significant and material increase to the life of mine of the Maniry operations, the substantial financial improvements (2) and increases to the Maniry projects economics were also outlined.

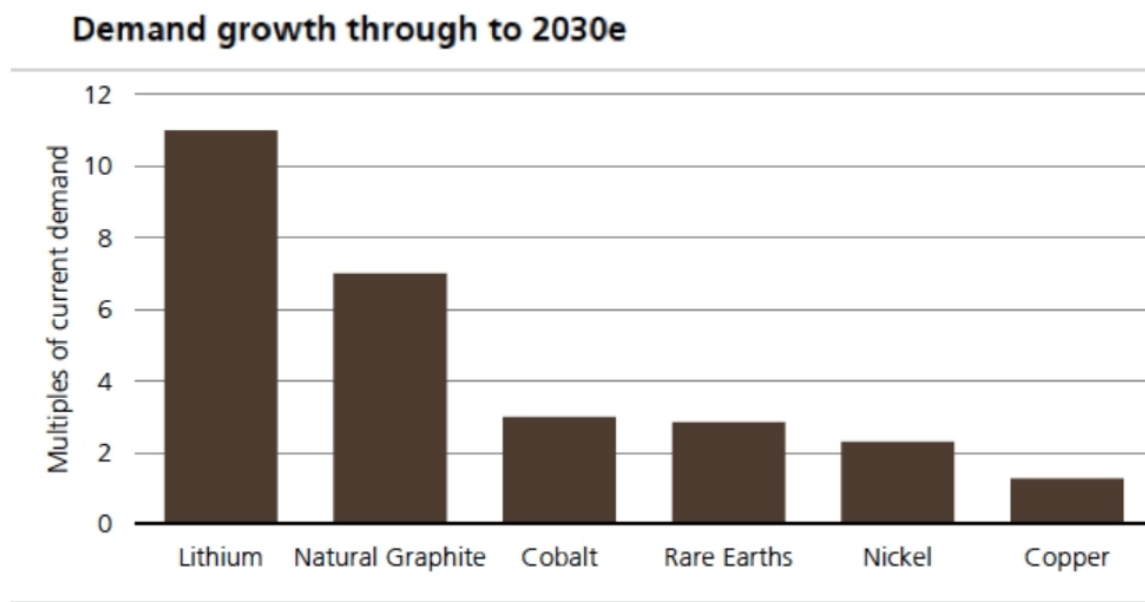
Key highlights of the release were -

- An increase in the Indicated Resource at Maniry of 32% which largely drives financial improvement
- A pre Tax Maniry Project NPV of US\$230m (up from US\$103m previously reported)
- Maniry and JV Consolidated pre Tax NPV of \$US255m
- Maniry project IRR of 86%
- Life of Mine EBITDA for Maniry of US\$561m – up 81 % from the original scoping study report

One of the key drivers for the improved economic outlook for the Maniry Project also included an increase in the overall future pricing for graphite concentrate.

Supply of quality graphite concentrate is currently not increasing at the rate required to meet projected medium and long term demand. This is having a material increase on the projected likely prices for all product grades.

Projected Graphite demand multiple increases –

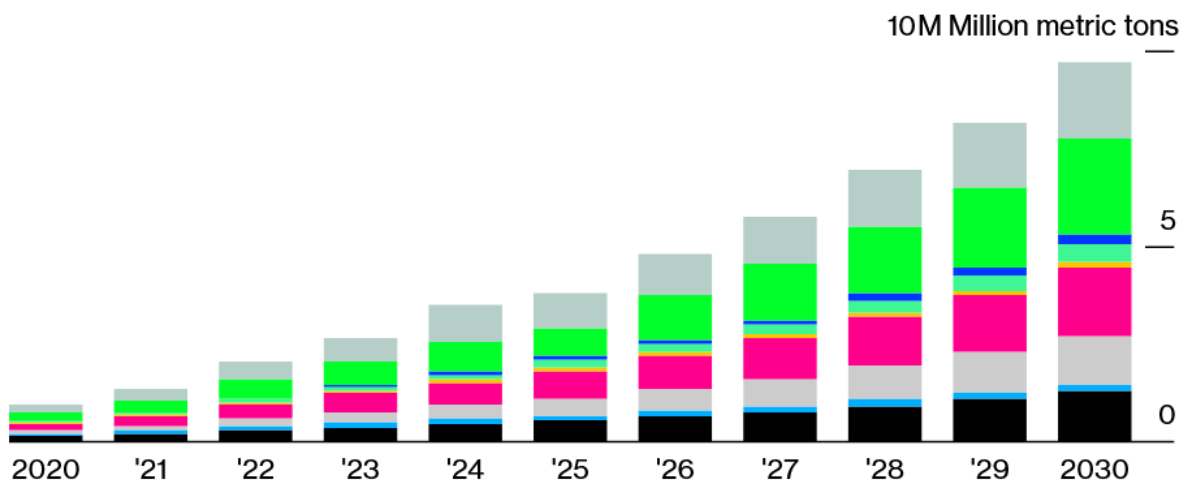


Much of the demand for Graphite concentrate is being fuelled by the current battery boom and the chart below highlights the projected world demand for graphite over the next 10 years.

### Battery Boom

Rising EV demand supercharges demand forecasts for a group of metals

■ Lithium ■ Cobalt ■ Nickel ■ Graphite ■ Manganese ■ Iron ■ Phosphorus  
■ Aluminum ■ Copper



BloombergNEF

All metals expressed in metric tons of contained metal, except lithium is in lithium carbonate equivalent.

Source - Bloomberg

## CORPORATE HIGHLIGHTS

### Signing of JV Agreement to Produce Expandable Graphite

During the Quarter, the Company announced it had signed its JV Agreement with Indian based Company, Metachem Manufacturing Company Pvt. Ltd. ("Metachem"),

Highlights of this announcement included:-

- Metachem is a leading producer of Expandable Graphite and other downstream products with **20 years production experience** and sales in to Europe, Asia and the USA
- The expandable graphite market is **expected to grow in demand as fire retardant material** and for further downstream use **in the automotive, EV and alternative energy sectors**

As announced, the key elements of the JV are –

1. BlackEarth are to source, in conjunction with their Sales and Marketing partner LuxCarbon, high quality graphite concentrate for treatment for the new expandable graphite plant
2. Following completion of its own plant in Madagascar, BlackEarth will provide large and jumbo flake graphite to the JV
3. Each JV partner proposes a 50/50 equity and profit share arrangement with CAPEX estimated to be US\$3.0 - 3.5m in total
4. BlackEarth will manage sales, marketing and the growth of sales worldwide.
5. Estimated initial production to be 2,000 – 2,500tpa growing to 4,000tpa, with plans to materially grow production
6. BlackEarth estimates Gross JV Revenue of A\$9.0m pa in the first year, growing to ~A\$17.0m –upon production ramp up to 4,000t pa
7. Production sites have been identified and appropriate economic, social and environmental conditions have initially been assessed as highly favourable. A decision on a preferred site within the Indian Special Economic Zone ("SEZ") will be concluded in the short term

### Appointment of Leading Australian Businesswoman and Advisor to the Board

During the Quarter and as previously noted, the Company confirmed the appointment of leading Australian Businesswoman, Heather Zampatti, to the Board of the Company.

**On Heather's appointment, George Bauk, BlackEarth Chairman, commented:** *"The Board are delighted to have someone of Heather's experience and wealth of business knowledge join our Board. Not only does she bring to the Board extensive experience in developing strategies to grow and expand enterprises, Heather has a track record of providing senior leadership skills in dealing with a range of industries and government bodies.*

*Her extensive experience with social causes and governance functions will add enormous value to our Board as we continue to expand our operations and networks globally"*

The Board are very pleased with the appointment of someone with such a wealth of business experience and respect within the Australian Business Community, and we look forward to Heather's guidance over the years to come.

## Environmental, Social and Corporate Governance (ESG)

Southern Madagascar continues to experience the effects of a significant famine which includes those areas around the Maniry Project. Local villagers have sold many of their remaining assets in an endeavour to remain in the area. Others have moved on to townships located to the north where food is more readily available.

In response to this, BlackEarth continues to support the villages in the area and has recently sent a further 5 tonnes of food supplies to the area. The Company will continue to monitor the situation and plans to provide on-going assistance to those most in need in the area. This will include assistance with access to water, health and education. Similarly, BlackEarth continues to provide employment opportunities for the local villagers as part of its current on-site development activities.

BlackEarth Minerals continues to provide support to one of its Madagascan geologists who completed a Masters Degree in Spatial Geology at Curtin University (Western Australia) late last year. He has recently commenced his PhD studies at the same university. On completion of his current studies, it is expected that he will return to Madagascar and oversee and manage the Company's exploration activities in-country.

The Company recently engaged independent specialist consulting firm, GCS ( South Africa ) to undertake the Environmental, Social Impact Assessment (ESIA) process. GCS successfully completed Next Source Material's Molo Project ESIA (50km north of Maniry) as part of their final permitting process. Both BlackEarth's Country Manager and Community Liaison Officer will be heavily involved in the process, as part of its DFS commitments and beyond, to ensure transparency with local stakeholders during development and ultimately operations at the Maniry Graphite Project.

## Capital Raising announced

Subsequent to the end of the Quarter and buoyed by then strong equity markets, the Company undertook a capital raising to raise the projected sum of A\$6.8m (before costs).

As announced on 24 January 2022, the key highlights of the Capital Raising and benefits to the Company are :-

- The Funds raised shall be applied towards completing the **Company's Definitive Feasibility Study ("DFS")**
- Funding will also allow the Company to recommence extensive drilling and **exploration programs at its High Grade Razafy North West area**
- Allocation of funding to be used in **advancing downstream processing development** in India with Joint Venture partner, Metachem
- Following completion of the Placement (proposed for 31/1/2022), the Company is projected to hold a very strong cash balance of \$9.30 million.

*The Capital raising was a strategic initiative designed to provide BlackEarth with the resources needed to meet all of its goals for 2022 and still leave the Company with cash reserves at the end of 2022.*

## COVID-19 Response

The health and well-being of BlackEarth employees remains of the utmost importance to the Company. Accordingly, COVID-19 procedures for travel to and from site in Madagascar and for site-based activities have been implemented to maintain social distancing.

All strict COVID protocols, which were put in place during the previous quarter, continue to be maintained and have allowed the Company to progress its planned activities as scheduled.

## Key Short Term Activities and Goals

BlackEarth Executives continue to drive forward a number of transformational, key matters at present and we look forward to updating the market in the short term in relation to the following:-

- Further details about our JV Company in India and commencement of Expandable Graphite DFS
- An Independent assessment report of BEM ESG activities / commitments
- Details of our Resource definition – following ongoing exploration at Razafy Northwest
- Ongoing progress toward completion of our Maniry Graphite Project DFS

## Payments to related parties of the entity and their associates

Payments made during the Quarter and included in items 6.1 and 6.2 of the Appendix 5B – Mining exploration entity quarterly cash flow report comprise :

- 6.1 Aggregate amount of payments to the related parties and their associates included in cash flow from operating activities - \$185,000. This includes payments of directors and management remuneration for services to the economic entity - \$185,000.
- 6.2 Aggregate amount of payments to related parties and their associated included in cash flow for investing activities – nil

This announcement was authorised by the Board of BlackEarth Minerals.

## CONTACTS

Tom Revy	BlackEarth Minerals NL - Managing Director - 08 6145 0289   0411 475 376
David Round	BlackEarth Minerals NL – Finance Director – 0411 160 445
Jane Morgan	Investor and Media Relations 0405 555 618

For more information – [www.blackearthminerals.com.au](http://www.blackearthminerals.com.au)

## Competent Person's Statement

The information contained in this report that relates to Exploration Results and Mineral Resources has been compiled and / or reviewed by Ms Annick Manfrino, a member of The Australian Institute of Geoscientists. Ms Manfrino is the Principal of Sigma Blue and Manager Geology of BlackEarth Minerals. Ms Manfrino has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that she 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." Ms Manfrino consents to the inclusion in this report of the matters based on the information in the form and context in which it appears.

The information in this report that relates to the Exploration Target for the Maniry Graphite Project is extracted from the report entitled "Exploration Target Update" dated 14 August 2018 and is available to view on the Company's website [www.blackearthminerals.com.au](http://www.blackearthminerals.com.au). The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

The information in this report that relates to the Maiden Resource Estimation for Razafy at the Maniry Graphite Project is extracted from the report entitled "Update – Maiden Resource Estimation for Razafy at the Maniry Graphite Project" dated 14 August 2018 and is available to view on the Company's website ( [www.blackearthminerals.com.au](http://www.blackearthminerals.com.au) ). The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

The information in this report that relates to the Maiden Resource Estimation for Haja at the Maniry Graphite Project is extracted from the report entitled "Update – Maiden Resource Estimation for Haja at the Maniry Graphite Project" dated 27 December 2018 and is available to view on the Company's website ( [www.blackearthminerals.com.au](http://www.blackearthminerals.com.au) ). The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.



## SCHEDULE OF MINING TENEMENTS

Details of Mining Tenements at Quarter ended 30 June 2021			
(ASX Listing Rule 5.3.3)			
Australia			
Tenement ID	Location	State	Interest
E70/4824	Yanmah, Donnelly	WA	100%
E70/4825	Manjimup, Donnelly	WA	100%
International			
Tenement ID	Location	Country	Interest
PR25605	Maniry	Madagascar	100%
PR25606	Maniry	Madagascar	100%
PR3432	Maniry	Madagascar	100%
PR39750	Maniry	Madagascar	100%
PR39751	Maniry	Madagascar	100%
PE5394	Maniry	Madagascar	100%
PE5391	Ianapera	Madagascar	100%
PE5392	Ianapera	Madagascar	100%
PE5393	Ianapera	Madagascar	100%
PE25093	Ianapera	Madagascar	100%
PE25094	Ianapera	Madagascar	100%

- PE n° 25093 and PE n° 25094, previously under Amodiation Contract with SQNY INTERNATIONAL SARL, Amodiation terminated in 2017 ;
- PR n° 25605 and PR n° 25606, previously under Amodiation Contract with ERG -, Amodiation terminated in 2018
- PE n° 5394, under Amodiation Contract with JUPITER MINES ET MINERALS SARL for mining Labradorite only.

### BOARD OF DIRECTORS

**George Bauk** (Non-Executive Chairman)

**Heather Zampatti** (Non-Executive Director)

**Tom Revy** (Managing Director)

**David Round** (Finance Director)

### CORPORATE INFORMATION

As at 27 January 2022

- 219,695,267 fully paid ordinary shares
- 4,796,186 \$0.06 partly paid shares paid to \$0.0201 and unpaid \$0.0399
- 31,575,000 Performance Rights
- 1,000,000 unlisted options (ex 7c)
- 2,000,000 unlisted options (ex 8c)
- 4,500,000 unlisted options (ex 15c)
- 4,000,000 unlisted options (ex 17.5c)
  
- \$27.5 million market capitalisation

## Forward Looking Statements

Some of the statements appearing in this announcement may be in the nature of forward looking statements. You should be aware that such statements are only predictions and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the industries in which BlackEarth operates and proposes to operate as well as general economic conditions, prevailing exchange rates and interest rates and conditions in the financial markets, among other things. Actual events or results may differ materially from the events or results expressed or implied in any forward-looking statement.

No forward looking statement is a guarantee or representation as to future performance or any other future matters, which will be influenced by a number of factors and subject to various uncertainties and contingencies, many of which will be outside the Company's control.

The Company does not undertake any obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events. No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions or conclusions contained in this announcement. To the maximum extent permitted by law, none of the Company's Directors, employees, advisors or agents, nor any other person, accepts any liability for any loss arising from the use of the information contained in this announcement. You are cautioned not to place undue reliance on any forward-looking statement. The forward-looking statements in this announcement reflect views held only as at the date of this announcement.

This announcement is not an offer, invitation or recommendation to subscribe for, or purchase securities by the Company. Nor does this announcement constitute investment or financial product advice (nor tax, accounting or legal advice) and is not intended to be used for the basis of making an investment decision. Investors should obtain their own advice before making any investment decision.

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## Appendix 5B

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

Name of entity

BlackEarth Minerals NL

ABN

66 610 168 191

Quarter ended ("current quarter")

31 December 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(94)	(270)
(b) development	(1,553)	(1960)
(c) production	-	-
(d) staff costs	(322)	(608)
(e) administration and corporate costs	(146)	(475)
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	-	-
1.8 Other (cost recovered/royalties)	(1)	87
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(2,116)</b>	<b>(3,225)</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	(40)	(48)
(d) exploration & evaluation	-	-
(e) investments	-	-
(f) other non-current assets	-	-

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
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>(40)</b>	<b>(48)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	10	223
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 (receipts from auction of partly paid shares, to be distributed to partly paid shareholders)	(55)	47
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(45)</b>	<b>270</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	5,770	6,566
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,116)	(3,225)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(40)	(48)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(45)	270

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(10)	(4)
4.6	<b>Cash and cash equivalents at end of period</b>	<b>3,559</b>	<b>3,559</b>

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	3,559	5,770
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>3,559</b>	<b>5,770</b>

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	185
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>The payments to directors or their associates in 6.1 and 6.2 include gross salaries, superannuation, director fees and consulting fees.</i>		

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

7.	<b>Financing facilities</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>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	<b>Total financing facilities</b>	-	-
7.5	<b>Unused financing facilities available at quarter end</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.		

8.	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	(2,116)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(2,116)
8.4	Cash and cash equivalents at quarter end (item 4.6)	3,559
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	3,559
8.7	<b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	2
<i>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.</i>		
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: Yes and see 8.8.2 below		
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: Yes, the Company announced a capital raising on 24/1/22 with funds from the raising expected to be received COB on 31/1/22		

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: Yes. The Company expects to receive A\$6.8m (before costs) post COB on 31/1/22. This will be added to existing cash reserves.

*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: 31 January 2022

Authorised by: David Round – Co Secretary

## 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.