

31 October 2024

**QUARTERLY ACTIVITIES REPORT FOR THE  
PERIOD ENDED 30 SEPTEMBER 2024****HIGHLIGHTS**

- Daydream-2 well successfully stimulated and flow tested
- Gas flowed from multiple stimulated zones, including deep coals for the first time
- ATP 2077 formally awarded and 173 Bcf additional contingent resources booked
- Elixir's fiscal position remains strong - \$10M at quarter end

**MANGAGING DIRECTOR'S REPORT TO SHAREHOLDERS FOR THE QUARTER**

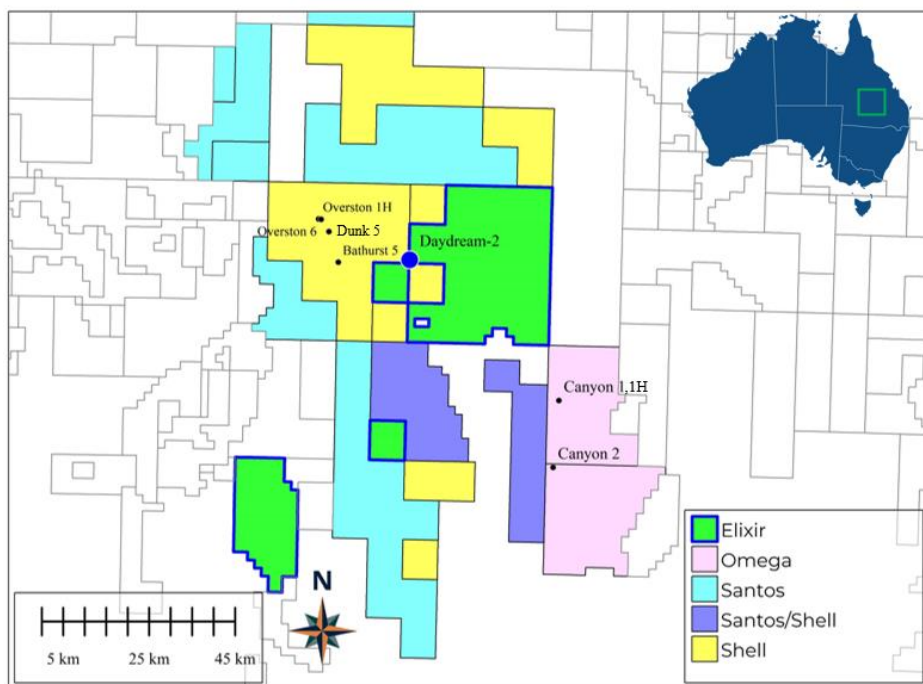
The Daydream-2 appraisal well was again the key focus for Elixir during the quarter. The considerable successes of this program (albeit with some ebbs and flows typical of an early stage appraisal program) has provided the Company with a very strong platform to continue to de-risk the Grandis Project.



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North America's considerable experience in large unconventional plays over the last two decades indicates that having multiple operators try different approaches to "cracking the code" to most effectively liberate gas presents by far the optimal approach to really open up such plays.

In this context Elixir is very pleased to be currently accompanied by other active explorers in Queensland's Taroom Trough. Collectively, considerable sums are being invested, contingent resources booked, knowledge transferred and service sector capabilities continuously improved.



During the last quarter Elixir's contributions to these collective efforts were material and multiple. These included flowing gas from five out of six stimulated zones, including from deep coals for the first time in this region.

Elixir expects the various current – and likely new – Taroom Operators to expand their efforts in the years to come - to ultimately deliver a lot of gas into the nearby infrastructure that can readily take it to desperately short domestic and international markets.

In the current early stage of such a large play, the teething issues that typically arise include rationing of the required equipment, service sector companies requiring different approaches, etc. Elixir has experienced some of these – but we are convinced that we can see these already being ironed out. For instance, the collective efforts in the region are already leading to interest from the likes of new service sector and infrastructure companies, with highly relevant international expertise and equipment.

During the quarter Elixir was formally granted ATP 2077 – which immediately added 175 Bcf of new contingent resources. The timeline from being notified as preferred tenderer to formal award was very rapid – reflecting the strong Queensland regulatory environment generally and the well established oil and gas presence in the immediate region specifically.

Post the end of the quarter, Elixir was pleased to execute a Memorandum of Understanding with Australian Gas Infrastructure Group (AGIG) to provide a framework under which to better investigate the development of the required infrastructure to take Taroom sourced gas to the nearby market interfaces. Elixir sees this is also an area of potential fruitful cooperation.



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That cooperation could extend to working with the likes of Government regulators. Post the end of the quarter Elixir notes the election of a new Government in Queensland which is expected to be supportive of the ongoing development of the State's large gas industry.

Elections have also taken place in Mongolia in recent months – at both the National and Local Government levels. New Government officials are settling in and a key focus is adding new and cleaner energy sources for a system that is currently suffering supply shortfalls and is dominated by coal. In this context Elixir's Nomgon pilot project, which continues to de-pressure coal seams through water production on a steady basis, can be part of supporting this increasingly strong political agenda.

Given the fiscal support provided towards the costs of the Daydream-2 program through the Commonwealth Government's research and development scheme, the financial position of Elixir remains strong, with a net position of \$10 million recorded at quarter end.

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# ASX ANNOUNCEMENT

## AUSTRALIAN GAS – GRANDIS GAS PROJECT (ATPs 2044 and 2077)

Elixir has a 100% interest in petroleum exploration licences ATP 2044 and ATP 2077 located in Queensland (the Grandis Gas Project). These tenements are located proximate to the Wallumbilla gas hub and can access domestic and international gas markets.

During the quarter ATP 2077 was awarded following the closing out of the relevant environmental and native title processes required for the licence to be formally granted.

During the quarter:

- The Daydream-2 appraisal well was stimulated and flow tested.
- The Lorelle Sandstone flowed at a post stimulated stabilized rates of between 2.1 and 2.5 MMSCFD.
- Gas was flowed from two separate deep coal seams for the first time in the Taroom Trough.
- Post the end of the quarter the current appraisal program for Daydream-2 was concluded.
- An increase in contingent resources was booked following the formal award of ATP 2077.

All work was undertaken safely, in accordance with local community expectations and without environmental or other negative incidents.

## MONGOLIAN GAS – NOMGON CBM PSC PROJECT

Elixir Energy Limited (“Elixir”) has a 100% interest in the Nomgon IX Coal Bed Methane (CBM) Profit Sharing Contract (PSC), located in proximity to the Chinese border in Mongolia’s South Gobi region. The 30,000 square kilometre PSC was executed with the Mongolian Government in September 2018 and formally commenced in 2019.

The PSC has a minimum ten year exploration period and a thirty year (extendable) production period. Elixir is substantially ahead of its exploration expenditure commitments under the PSC, even notwithstanding the force majeure event caused by COVID-19 in recent years.

During the quarter the main focus area was on ongoing production testing at the Nomgon Pilot Project. The Pilot continues to successfully de-water the coals and reduce reservoir pressure, with a view to initiating sustained production from desorption by around the end of the year.

All work was undertaken safely, in accordance with local community expectations and without environmental or other negative incidents.

## MONGOLIAN RENEWABLES

The renewable asset base built up by Elixir to previously support the *Gobi H2* green hydrogen project in Southern Mongolia is now being reviewed for its potential contribution to growing local mining and grid customers for cleaner energy.

## ENVIRONMENT, SOCIAL & GOVERNANCE (ESG)

Elixir considers stakeholder engagement – particularly with local people in the areas of operations, to be critical for all of its projects.

In Queensland, the Company’s recent operations provided the local economic boost that comes from oil and gas operations – including utilizing multiple local accommodation venues, etc.

In Mongolia in the quarter, Elixir continues to support local communities in a number of ways such as its multi-year program of tree-planting in the key local district in which it operates.

# ASX ANNOUNCEMENT

## CORPORATE AND FINANCIAL

### **Capital raising**

In July a placement was undertaken, raising \$6.25 million at a price of 10 cents per share (with a one for four matching EXROB listed option issued to the placees).

### **Changes in Issued Capital**

During the quarter the Company issued 62,500,000 Shares, 15,625,005 Listed Options (free attaching options) and 3,125,000 Listed Options (Broker options) under a Placement.

Also during the quarter, 3,400,000 Performance Rights expired and 331,933 listed options were exercised and new ordinary shares of the same quantum issued.

Securities on issue as at 30 September 2024 were as follows:

Security type	Number
Ordinary shares	1,196,810,799
Listed options	110,799,979
Unlisted performance rights	10,650,000
Unlisted employee options	10,000,000

Since the period end, 2,000,000 Performance Rights were issued, which was approved by Shareholders at the 2024 Annual General meeting.

### **Financial**

Elixir's cash reserves as at 30 September 2024 were \$5.9 million.

As at the end of the quarter, a receivable of \$10.7 million in connection the Research & Development tax credit due to be paid in connection with qualifying expenditure on Daydream-2 has been recorded (unaudited). A loan of \$6.6 million (including interest) is secured solely on the Research & Development tax credit due.

As such, the net cash position as at the end of the quarter can be characterized as \$10.0 million.

During the quarter, the Company spent \$6.8 million on exploration activities, primarily on the Daydream-2 well.

### **Board and Management**

No changes to Board and Management occurred in the quarter.

### **Annual and other General Meetings**

The Company's 2024 Annual General Meeting was held during the quarter. All resolutions were approved.

### **Appendix 5B Disclosures**

The attached Appendix 5B includes an amount of \$296,000 in item 6.1, which constitutes compensation for the Managing Director and non-executive director fees paid during the quarter. In addition, \$72,000 was paid to Key Management Personnel for services provided. There were no other related party transactions.

# ASX ANNOUNCEMENT

## SUMMARY OF PETROLEUM TENEMENTS HELD AS AT 30 SEPTEMBER 2024

	<b>% Interest</b>	<b>Tenement</b>	<b>Location</b>
<b>Held at end of quarter</b>	100%	Nomgon IX CBM PSC	Southern Mongolia
	100%	ATP 2044	Queensland
<b>Acquired during quarter</b>	100%	ATP 2077	Queensland
<b>Disposed during quarter</b>	-	-	-

By authority of the Board:

**Neil Young** - *Managing Director*  
*Elixir Energy Ltd (ABN 51 108 230 995)*  
*Unit 3B Level 3, 60 Hindmarsh Square*  
*Adelaide SA 5000, Australia*

For further information, please visit the Company's website at [www.elixirenergy.com.au](http://www.elixirenergy.com.au)

## Appendix 5B

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

Name of entity		
<b>Elixir Energy Limited</b>		
ABN		Quarter ended ("current quarter")
<b>51 108 230 995</b>		<b>30 September 2024</b>

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation (expensed)	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(296)	(296)
	Staff costs capitalised in 2.1 (d)	-	-
	(e) administration and corporate costs	(421)	(421)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	74	74
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>643</b>	<b>643</b>

<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire:		
	(a) exploration asset	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(34)	(34)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
	(d) exploration & evaluation Capitalised R&D incentive	(6,876) -	(6,876) -
	(e) investments	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation		
	(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>(6,910)</b>	<b>(6,910)</b>
<b>3. Cash flows from financing activities</b>			
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	6,250	6,250
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	40	40
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 (provide details if material) Share Issue costs	(419)	(419)
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>5,871</b>	<b>5,871</b>



Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
<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	7,665	7,665
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(643)	(643)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(6,910)	(6,910)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	5,871	5,871
4.5	Effect of movement in exchange rates on cash held	(35)	(35)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>5,948</b>	<b>5,948</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	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	5,536	7,237
5.2	Call deposits	30	30
5.3	Bank overdrafts	-	-
5.4	Restricted cash	382	398
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>5,948</b>	<b>7,665</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	368
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

Total payments of \$368k to related parties for the quarter consisted of:

- non-executive directors' fees and executive director salaries in item 6.1 \$296K
- Key Management fees and reimbursement of expenses in item 6.1 \$72k

<b>7.</b>	<b>Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1	Loan facilities	6,245	6,245
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	<b>Total financing facilities</b>	6,245	6,245
7.5	<b>Unused financing facilities available at quarter end</b>		-
7.6	<p>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.</p> <p>As at 30 September 2024, a receivable of \$10.7 million in connection the research and development incentive asset due to be paid in connection with qualifying expenditure on Daydream-2 has been recorded (unaudited). Research and Development incentive asset of \$8 million in respect of the 30 June 2024 costs is expected to be paid imminently. The remaining Research and Development incentive asset of \$2.7m will be paid either in advance via a loan or after the 30 June 2025 once the claim is lodged.</p> <p>The Group has a secured Research &amp; Development loan agreement with Endpoints Capital Pty Ltd. As at 30 September 2024, the Research &amp; Development Loan is \$6,610,000 (prior quarter \$6,346,000) including interest, that is secured solely on the research and development incentive receivable asset. Interest is charged at 16% per annum and is accrued daily. The loan and interest are payable on the later of the receipt of the research and development incentive or maturity date. The loan is repayable by the maturity date, being 31 December 2024, subject to two options to extend maturity date by 30 days. The Group will be able to increase its Research &amp; Development loan facility based on anticipated future research and development costs.</p>		

<b>8.</b>	<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)	(674)
8.2	Capitalised exploration & evaluation (Item 2.1(d))	(6,845)
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(7,519)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	5,948
8.5	Unused finance facilities available at quarter end (Item 7.5)	-
8.6	Total available funding (Item 8.4 + Item 8.5)	5,948
8.7	<b>Estimated quarters of funding available (Item 8.6 divided by Item 8.3)</b>	<b>0.8</b>
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?	

	<p>Answer:</p> <p>The next quarter's exploration expenditure will be significant less as stimulation concluded in early October 2024 (refer to ASX release dated 8 October 2024) and is more than covered by current cash, future Placement, the R&amp;D receivable and the associated debt facility noted above.</p>
8.8.2	<p>Has the Company 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?</p>
	<p>Answer:</p> <p>\$8m of research and development incentive asset is due to be paid in connection with qualifying expenditure on the Grandis gas project's Daydream-2 well to 30 June 2024. The Group has drawn down \$6.2m of its Research and Development Loan, which is secured solely on the research and development incentive asset.</p>
8.8.3	<p>Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?</p>
	<p>Answer:</p> <p>The entity is able to continue its operations and strive towards meeting its business objectives, as future exploration expenditure will be lower. Research and Development incentive asset of \$8m in respect of the 30 June 2024 costs is expected to be paid imminently. The remaining Research and Development incentive asset of \$2.7m will be paid either in advance via a loan or after the 30 June 2025 once the claim is lodged.</p>
<p><i>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</i></p>	

### 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.

31 October 2024

Date: .....

By the Board

Authorised by: .....  
(Name of body or officer authorising release – see note 4)

### Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – e.g. 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.

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