

ASX RELEASE

26 April 2024

March 2024 Quarterly Activities Report

Applyflow Limited (ASX:AFW) (**Applyflow** or **Company**) is pleased to provide this quarterly activities report for Q3 FY24.

Corporate

During the previous quarter the Company announced that it had requested its securities be placed into voluntary suspension, effective immediately, pursuant to Listing Rule 17.2 pending an announcement to the market of a proposed transaction under Listing Rule 11.1.

In accordance with Listing Rule 17.2 the suspension must remain in place until the Company has complied with the procedures outlined in section 2.10 of Guidance Note 12 in relation to the proposed transaction.

Proposed acquisition of exploration projects

On 12 March 2024, the Company announced its proposal to acquire the Fairfield Copper and Fintry copper and rare earth exploration projects.

The Fairfield Copper Project comprises 70.5 sq km area with over 15km strike potential including several copper occurrences immediately adjacent to the Dorchester sediment-hosted copper resource in the highly prospective Appalachian Gold-Copper Belt of New Brunswick, Canada. The Fintry Project comprises a 12 sq km area of the Nagagami River alkalic complex in Ontario, Canada with many similarities to the nearby Hecla-Kilmer REE-niobium discovery.

To support the exploration of these projects the Company is proposing to undertake an equity capital raising of up to \$2.7 million (before costs) via a public offer. Inyati Capital will act as lead manager to the public offer. Additionally, on completion of the acquisition the Board will change with experienced geologist Bill Oliver to be appointed as Non-Executive Director and John Winters (Non-Executive Director) to resign.

The proposed acquisition of Canada Future Metals will constitute a change in the nature and scale of the Company's activities and therefore the Company is required to re-comply with Chapters 1 and 2 of the Listing Rules and obtain shareholder approval for the acquisition and associated matters, including a proposed consolidation of the Company's securities whereby every 25 securities held on the record date of the consolidation will consolidate into 1 security.

The capital raising will comprise an offer of up to 13.5 million fully paid ordinary shares at an issue price of \$0.20 per share (on a post-consolidation basis).

The proposed consideration for the acquisition comprises the issue by the Company of 4 million fully paid ordinary shares, 1.8 million options and 1 million performance shares (all on a post-consolidation basis) to the shareholders of Canada Future Metals.

The Company is also proposing to change name to 'FMR Resources Ltd' to reflect its new direction.

Further details of the proposed acquisition are set out in the Company's announcement of 12 March 2024.

Proposed disposal of Applyflow business

On 19 April 2024 the Company announced that it had entered into a conditional agreement to dispose of the Applyflow business through the sale of all of the issued capital of Applyflow International Pty Ltd by way of a management buy-out to an entity controlled by current Applyflow business acting CEO, Richard Swanton for an effective consideration of approximately \$1.2 million.

As this proposal will constitute a disposal of the Company's main undertaking, shareholder approval for the sale will be required for the purposes of Listing Rule 11.2. Disposal of the Applyflow business on terms reasonably acceptable to the vendors of the Fairfield and Fintry Projects in Canada is a condition precedent to the proposed acquisition and, accordingly, if the proposed disposal does not proceed the acquisition of Canada Future Metals will not proceed.

Further details of the proposed disposal are set out in the Company's announcement of 19 April 2024.

Shareholder meeting

The Company has convened a general meeting for 23 May 2024 for shareholders to consider and approve resolutions in connection with the above proposals.

Shareholder materials for that meeting were dispatched to shareholders and released to ASX on 23 April 2024.

Operations

During the quarter the Company continued operations on the Applyflow business and will continue to do so pending the proposal to change activities, expected to be implemented in the current quarter subject to all requisite shareholder and regulatory approvals being in place.

Operational efficiency has continued to be enhanced with the launch of several new product features, leveraging Applyflow technology to streamline processes and improve user experience. The sales and marketing functions have continued to secure new partnerships and customers. Employee development has been prioritised through initiatives and fostering a positive work culture. Despite challenges posed by external factors, the team has remained adaptable and focused on driving growth and innovation across the business.

Summary of expenditure for the quarter and related party payments

During the quarter, the Company's overall cash outflows were approx. \$326,000, comprising of marketing (\$10,000), personnel (\$585,000) and administration and corporate costs (\$247,000).

In accordance with ASX Listing Rule 4.7C.3, payments to related parties and their associates totalling \$42,000, and as outlined in Item 6 of the Company's Appendix 4C, were for salary and superannuation of Directors.

Cash balance

The Company's cash balance as at 31 March 2024 was approx. \$2.1 million.

This announcement was approved for release by Applyflow's Board of Directors.

Contact

Richard Swanton
Acting CEO
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John Winters
Non-Executive Director
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About Applyflow

Applyflow is an innovative web and tech agency, on a mission to revolutionise recruitment by empowering businesses with innovative recruitment technology, captivating design, and impactful messaging.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Applyflow Limited

ABN

29 107 371 497

Quarter ended ("current quarter")

31 March 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	506	1,820
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(10)	(38)
(d) leased assets	-	-
(e) staff costs	(585)	(2,151)
(f) administration and corporate costs	(247)	(884)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	10	25
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)	-	-
1.9 Net cash from / (used in) operating activities	(326)	(1,228)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	(2)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	(2)

3.	Cash flows from financing activities		
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 (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,428	3,335
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(326)	(1,228)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(2)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	1	(2)
4.6	Cash and cash equivalents at end of period	2,103	2,103

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	467	802
5.2	Call deposits	1,636	1,626
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)	2,103	2,428

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	42
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<p><i>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.</i></p> <p><i>In accordance with ASX Listing Rule 4.7C.3, payments to related parties and their associates outlined in Item 6 are for salary and superannuation of Directors.</i></p>		

7.	Financing facilities <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>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	n/a		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(326)
8.2	Cash and cash equivalents at quarter end (item 4.6)	2,103
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	2,103
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	6.5
	<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1	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: n/a	
8.6.2	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: n/a	
8.6.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer: n/a	
	<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

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: 26 April 2024

Authorised by: By the board
(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 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 standard applies 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.