

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 1/6/10, 17/12/10, 01/05/13, 01/09/16

SOUTHERN CROSS EXPLORATION N.L.

ABN : 70 000 716 012

QUARTER ENDED ("Current Quarter") : 31 March 2018

Consolidated Statement of Cash Flows	Current Quarter \$A'000	Year to Date 9 months \$A'000
1. Cash Flows from operating Operating Activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for :-		
(a) exploration and evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	-	-
(e) administration	(265)	(1,117)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	4
1.5 Interest and other costs of finance paid	-	(200)
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(265)	(1,313)
2. Cash flows from Investing Activities		
2.1 Payments to acquire		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	(8)	(1,608)
(d) other non-current assets	-	-

⁺ See chapter 19 for defined terms.
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Consolidated Statement of Cash Flows	Current Quarter \$A'000	Year to Date 9 months \$A'000
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	42	716
(d) other non-current assets	-	-
2.3 Cash Flows from loans to other entities	(1,464)	(1,681)
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	(1,430)	(2,573)

3 Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	-
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
3.5 Proceeds from borrowings	1,464	3,664
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	1,464	3,664

4 Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	242	233
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(265)	(1,313)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(1,430)	(2,573)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	1,464	3,664
4.5 Effect of movement in exchange rates on cash held	-	-
4.6 Cash and cash equivalents at end of period	11	11

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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	Year to Date 9 months \$A'000
5.1 Bank Balances	11	11
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
Cash and cash equivalents at end of quarter		
5.5 (should equal item 4.6 above)	11	11

6. Payment to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current Quarter \$A'000
(143)
-

7 Payment to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.1 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current Quarter \$A'000
-
-

* See chapter 19 for defined terms.
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8 Financing facilities available

Add notes as necessary for an understanding of the position.

	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan Facilities	3,678	3,678
8.2 Credit standby arrangements	N/A	N/A
8.3 Other (please specify)	N/A	N/A

- 8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well

On 8 August 2017, the Company entered into a loan agreement for \$2,200,000 from Mr. M.Johnson. The terms of the loan are : Repayable on 7 August 2018, Annual interest rate – NIL
Prescribed rate of 10% per annum is payable if the Company defaults on the loan.
Facility fee of \$200,000. Security for loan is a registered first charge over the assets of the Company.
On 15 January 2018, Mr Johnson extended this loan by a further \$1,100,000. The terms of the loan extension are : Repayable on 7 August 2018, Annual interest rate – 10% per annum.
On 16 March 2018, Mr Johnson extended this loan by a further \$364,000. The terms of the loan extension are : Repayable on 7 August 2018, Annual interest rate – 10% per annum.

9 Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	-
9.2 Development	-
9.3 Production	-
9.4 Staff Costs	-
9.5 Administration and corporate costs	(100)
9.6 Other (provide details if material)	-
9.7 Total Estimated cash outflows	(100)

10 Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement Reference and location	Nature of Interest	Interest at Beginning of Quarter	Interest at End of Quarter
10.1 Interest in mining tenements and petroleum tenements lapsed, relinquished or reduced	None during the quarter			
10.2 Interest in mining tenements and petroleum tenements acquired or reduced	None during the quarter			

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Compliance statement

- 1 This statement has been prepared with accounting standards and policies which comply with Listing rule 19.11A.
- 2 This statement does give a true and fair view of the matters disclosed.

John Smith
Company Secretary
30 April 2018

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
- 2 If this quarterly 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 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.

⁺ See chapter 19 for defined terms.