

ASX / MEDIA RELEASE

ASX Code: MEL

30 July 2020



QUARTERLY ACTIVITIES REPORT

PERIOD ENDED JUNE 30 2020

Highlights

Key activities during the quarter ended 30 June 2020 ("**Quarter**") comprised:

Vali-1 ST1

- Detailed design and operational plans were completed by the ATP2021 JV for the Vali-1 ST-1 fracture and stimulation program.
- In late June the fracture stimulation and testing equipment was mobilised to the Vali-1 ST1 wellsite in preparation for the commencement of the stimulation program (see wellsite photo).

Cervantes

- Cervantes well design completed and environmental approvals significantly advanced. Drilling is anticipated in Q1 CY 2021 subject to rig availability and regulatory approvals.

Odin

- PRL211 Licence extension granted by SA government allowing the optionality for the Odin exploration farm-in commitment well to be drilled in Q3/Q4 CY 2021.

Corporate

- In late March the board implemented cost control measures due to the disruption and volatility on global equity markets due to the outbreak of novel coronavirus (COVID-19).
- Metgasco shareholders overwhelmingly voted against the appointment of two directors nominated by Melbana at an extraordinary general meeting held on 23 June 2020.

Comments from CEO Ken Aitken

"Metgasco continues to deliver on its strategy to provide shareholder returns and be the partner of choice by significantly progressing the Vali-1 ST1 and Cervantes exploration project in the last quarter. Establishing a commercial gas project at Vali is a key step for Metgasco to pivot from an exploration company to a profitable production business in CY2021"

Material developments since 30 June 2020 are as follows:

- Fracture stimulation activities commenced 12 July on Vali-1 ST1. Six zones were perforated and fracture stimulated prior to the commencement of flow testing activities on 26 July.
- In late July a Share Placement of \$1.375 mill was completed. A \$2 mill Share purchase plan is being offered to existing shareholders. The proceeds of the raising will be used for the Vali and Cervantes exploration projects.

The Quarter's activities and subsequent events are outlined below:

Cooper /Eromanga Basin Exploration Blocks: ATP2021 and PRL211

ATP2021: Vali-1 ST1 Gas Discovery

The successful Vali-1 ST1 gas exploration well (see figure 1 below), drilled on the Queensland side of the Cooper/Eromanga Basin, reached a total depth of 3217m measured depth on 10 January 2020. Well logging identified approximately 80m of interpreted net gas pay (porosity cut-off 6%) over a gross 312m interval in the Patchawarra Formation target. Gas was also recovered from the target Upper Patchawarra and Nappamerri Group via MDT sampling. Oil shows were also detected in the Jurassic age Westbourne and Birkhead formations. Metgasco was free carried on Vali-1 ST1 pursuant to farm-out agreements with Vintage Energy and Bridgeport Energy, through to case and suspend.

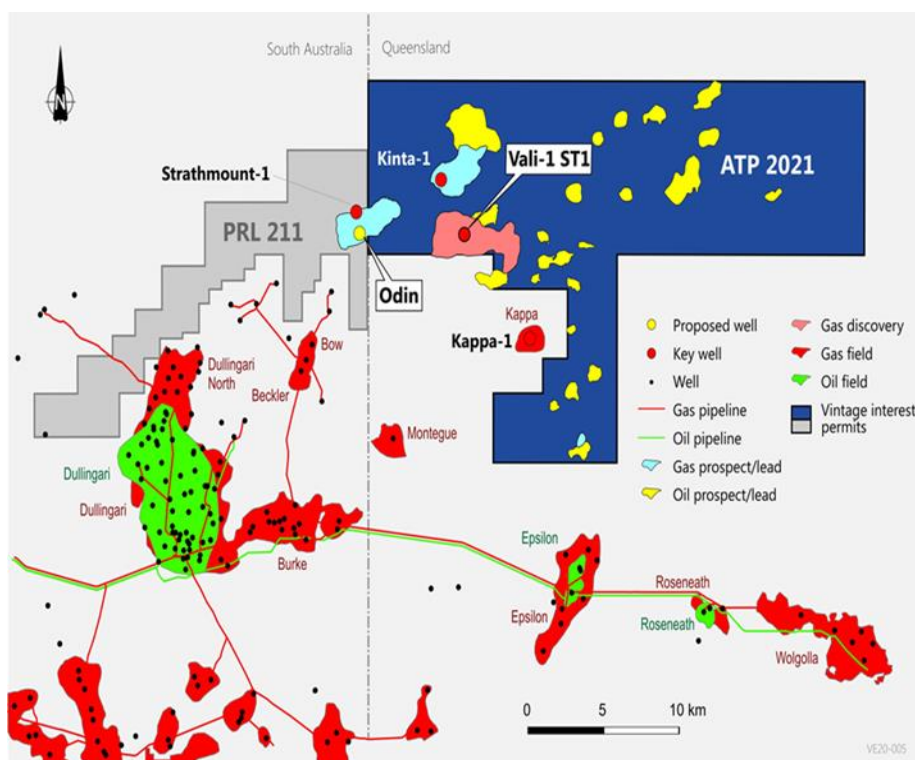


Figure 1 ATP2021 Map & Vali-1 ST1 Location

ERC Equipose Pte Ltd ("ERCE") has independently certified 37.7 Bcf of gross 2C Contingent Resources in the Patchawarra Formation of the Vali Gas Structure (refer ASX release 3 March). Metgasco has a 25% net working interest share and accordingly a net 2C Contingent Resource of 9.4 Bcf.

Table 1&2 Vali Field Gross and Net Contingent Resources

ATP2021 Vali Gas Field Patchawarra Formation as of 1 March 2020					
Gas in Place (Bcf)			Unrisked Contingent Resources (Bcf)		
Low	Mid	High	1C	2C	3C
34.0	84.2	216.0	15.2	37.7	97.0

ATP2021 Vali Gas Field Patchawarra Formation as of 1 March 2020					
Gas in Place (Bcf, 25% MEL share)			Unrisked Contingent Resources (Bcf, 25% MEL share)		
Low	Mid	High	1C	2C	3C
8.5	21.05	54	3.8	9.4	24.2

Notes to the tables above:

1. Contingent Resource volumes have had shrinkage applied to account for CO₂ and include only hydrocarbon gas. No allowance for Fuel and Flare has been made.
2. ERCE GIIP volumes and Contingent Resources presented in the tables are the probabilistic totals for all 19 Patchawarra reservoir intervals.
3. Probabilistic totals have been estimated using the Monte Carlo method.
4. Estimates for contingent resources have not been adjusted for development risk.
5. The resources have been classified and estimated in accordance with the PRMS.
6. These resource estimates are as of 2 March 2020 and were first disclosed to the ASX by Metgasco dated 3 March 2020.

The results of the fracture stimulation and flow testing of Vali-1 ST1 will be used to update the above tables.

Over the June quarter the JV developed operational plans to stimulate and flow test five stages in the Patchawarra reservoir and one in the deeper Tirrawarra/Basal Patchawarra section (at depths between 2810 metres to 3140 metres). The successful pre-frac casing pressure test, cement bond logging and baseline temperature log, have all provided important information for the design of an effective fracture stimulation program. The Vali-1 ST1 stimulation program activities were awarded to Condor Energy Services Pty Ltd (“Condor”).

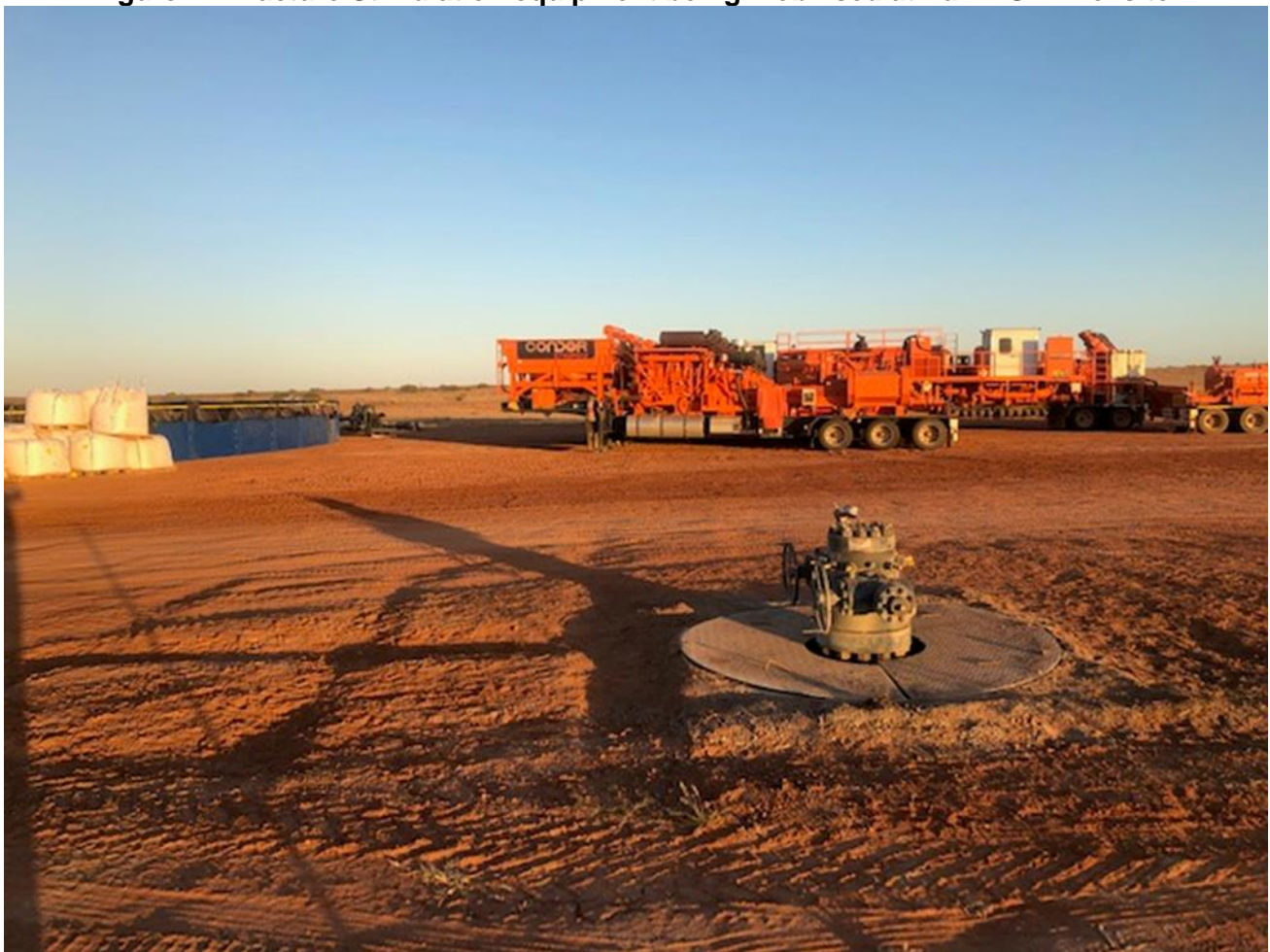
Vali-1 ST1 Subsequent Events

Well-site preparation work started in June and, following equipment mobilisation and rig-up, the six-stage fracture stimulation program was safely completed between 12 and 24 July. One fracture stimulation stage was performed in the deeper Tirrawarra Sandstone and the other five stages were conducted across pre-selected sand packages within the Patchawarra Formation.

The bridge plugs separating the six fractured zones in the well were milled out allowing the stimulation fluid injected into the zones during the fracturing process to be “flowed back” via the surface well test separator, which separates the stimulation fluid and the gas. The well is currently being flow tested to measure a stabilised gas flow rate from all zones and record the down-hole reservoir pressure. A wireline production log will be run to determine individual zonal gas contribution. The flowback period is currently underway and the program will continue into August. Subject to achieving a commercial flowrate, the well-test information will be assessed and incorporated into a commercialisation plan for the asset, which, will include an estimate of the number of development wells required to maximise returns from the Vali field.

Negotiations are underway to negotiate gas sales with customers and a tie-in tariff with Santos. Engineering design work on a gas pipeline has been initiated. Cash flow is targeted for Q1CY2021

Figure 2: Fracture Stimulation equipment being mobilised at Vali-1 ST1 wellsite



ATP2020

During the June quarter farm-out work was deferred due to the prevailing market conditions relating to the collapse of oil prices and the COVID-19 Pandemic.

Metgasco's ATP2020 licence allows near term exploration commitments to be deferred to future years.

A decision will be made in the second half of 2020 on whether to continue holding the licence based on further technical work on the licence and success on securing a farminee.

Perth Basin L14: Cervantes Exploration Well

On 9 September 2019, Metgasco executed a farm-in agreement into the North Perth Basin L14 (see figure 3) with Jade for the right, exercisable by 15 November 2019, to drill and fully fund up to two exploration wells to earn a 60% interest in any hydrocarbons discovered by these wells. Metgasco had the right in the farm-in agreement to introduce a farminee for both exploration wells to share exploration costs, on the same terms.

Metgasco's team identified the 3D seismically defined highly prospective Cervantes oil prospect in the L14 production licence, 3km west of the Jingemina oil field that has produced approximately 4.6 million barrels of oil to date (refer announcement 10 September 2019). Subsequently, a binding term sheet with Jade and Vintage was signed on 15 November 2019 introducing Vintage as a farminee. By signing the term sheet, Metgasco confirmed its right to drill Cervantes.

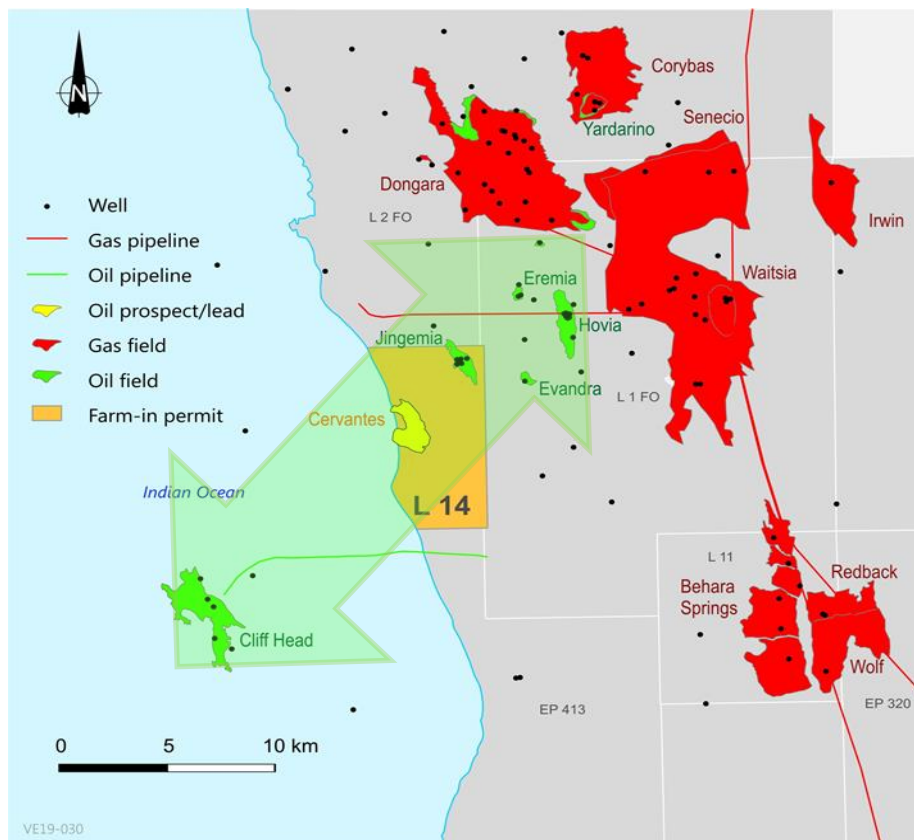


Figure 3 – L14 Cervantes Map

Vintage agreed to farm-in by paying 50% of the Cervantes well costs for a 30% working interest in the Cervantes prospect. Vintage also has the first option to participate in the optional well in L14 with the same commitment obligations and earned interest proportions as Cervantes. Vintage have paid Metgasco \$100k for future exploration expenditure relating to Cervantes and Jade \$100k relating to seismic re-processing over the L14 licence. A re-stated L14 Western Flank farm-out agreement with Jade and Vintage was executed on 20 January 2020.

As a result of the introduction of Vintage to the joint venture, Metgasco's cost exposure will reduce to 50% of the drilling of up to two wells, and its interest will reduce to 30% of any hydrocarbons discovered by these wells. The farm-in agreement allows for any oil discovery to be quickly commercialised via a

negotiated crude oil processing and purchasing arrangement.

The Cervantes drilling surface location and access track was chosen to reduce the drilling environmental footprint as well as enable the wellbore to penetrate all three Permian reservoir targets. A significant amount of environmental work on the well location was undertaken in the June quarter, with one further survey recommended by the environmental authorities to be conducted in September 2020. Project environmental approvals are now anticipated in Q4 CY2020.

The Cervantes JV signed a well project management contract with Aztech Well Construction Pty Ltd ("Aztech"). Aztech has significant experience in project managing exploration wells in the Perth Basin having successfully drilled 70% of the wells since 2011, including the deviated Xanadu well in 2018. In the June quarter Aztech have completed the project execution plan and basis of well design. Aztech also finalised the deviated well design based on a bottom-hole location optimised via analysis of seismic re-processing data.

The spud date of the Cervantes well is planned for Q1 CY2021. This anticipated drilling time has the advantage of reducing the potential drilling cost exposure risk related to WA COVID-19 border closure and allow access to a greater choice of drilling rigs. The well planning team has initiated discussions with other Perth Basin operators and rig contractors to deliver the best technical and commercial outcome on drilling rig selection.

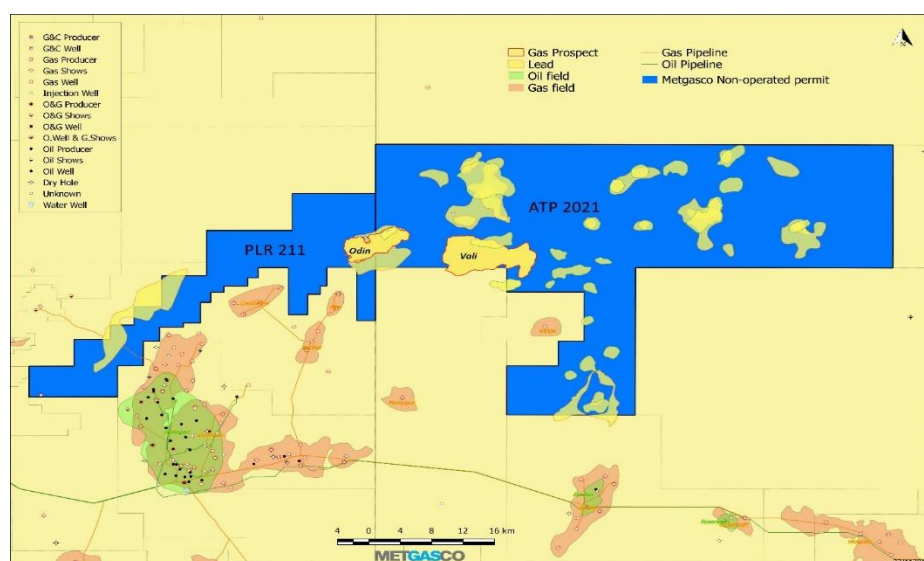
ATP2021: JV Farm-in to PRL 211 in Cooper/Eromanga Basin

On 22 November 2019 a term sheet was executed with a 90-day exclusivity period to negotiate a binding farm-in agreement with a subsidiary of Senex for PRL 211 on the South Australian side of the Cooper/Eromanga basins. On 24 February the ATP2021 JV executed the farm-in agreement.

Under the joint venture, Vintage has become the operator with 42.5% working interest, Metgasco with 21.25%, Bridgeport with 21.25% and Senex with 15%, with Senex to be free carried through the drilling of the first well.

PRL 211 is a 98.49 km² retention licence that is close to infrastructure and has an initial five-year term expiring in October 2022, with an option to renew the permit for a further five years. The licence is located in the South Australian side of the Cooper/Eromanga Basin (see figure 4) and is immediately adjacent to ATP2021.

Figure 4 – PRL 211 and ATP2021

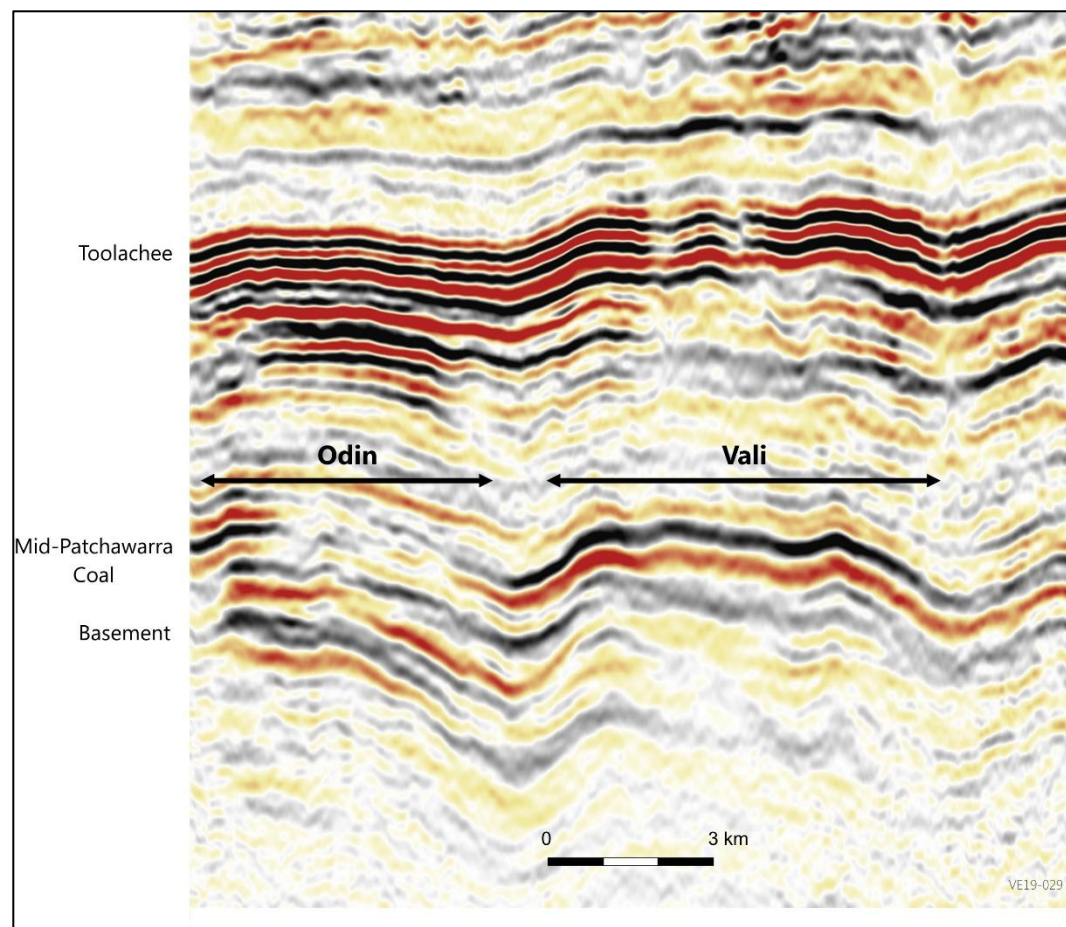


Under the terms of the farm-in, the ATP2021 Joint Venture participants will drill a well in the Odin structure (with Metgasco paying 25% of the estimated cost of the well, approximately \$1.3 million net) for a 21.25% equity interest in PRL 211. All further work, including the potential to stimulate, complete and flow test the Odin well will revert to equity share. The JV has successfully applied to the South Australian Government for a 12-month extension extending the drilling commitment date to Q4 CY2021. The Odin well will be located in PRL 211 with the drilling targeted to take place in Q3/Q4

CY2021.

The main target in PRL 211 is the Odin structure, which is fully covered by recent 3D seismic and has gas potential in the Patchawarra and Toolachee formations (see Figure 5 below). The prospect straddles the border between PRL 211 and ATP2021 and is similar to the Vali prospect, drilled recently by the ATP2021 Joint Venture.

Figure 5 - Seismic Line across Odin and Vali Prospects



Odin is a Permian four-way dip closure situated on a structural nose that plunges north-eastwards into the Nappamerri Trough near the producing reservoirs at the Bow, Beckler and Dullingari gas fields.

Seismic mapping indicates that the Toolachee formation has approximately eight metres of structural relief over nearly 5.2 km², and a chance of success ("COS") of 35% with a high chance of development. The Patchawarra Formation has 15 metres of structural relief over nearly 2.5 km², a COS of 26% and a high chance of development. Stratigraphically trapped gas outside of mapped anticlinal closure is a possibility.

Table-3 - Odin structure gross and net prospective resources

Odin Prospect Prospective Resources ¹	1U	2U	3U
	Low Estimate	Best Estimate	High Estimate
Toolachee Bcf	1.2	4.1	13.5
Patchawarra Bcf	2.4	8.5	29.1
Total Gross Recoverable Gas (Raw) Bcf	3.6	12.6	42.6
Net To Metgasco (Raw) Bcf	0.8	2.8	9.5

¹Volumetric estimates as calculated by operator Vintage. The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates are un-risked and have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of potentially significant moveable hydrocarbons. These prospective resource estimates are probabilistic in nature and are recoverable raw gas attributable to JV gross (100%) and Metgasco net interest (25%) in the Odin prospect as of 14 October 2019. The resources have been classified and estimated in accordance with the Petroleum Resource Management System (PRMS). Metgasco is not aware of any new data or information that materially affects the estimate above and that all material assumptions and technical parameters continue to apply and have not materially changed. The JV is planning to drill the Odin prospect in Q3/Q CY 2021

PRL237 Licence- Cooper Basin

The JV has agreed to defer any exploration activities to the 2nd half of FY 2021.

SM74 Licence – Gulf of Mexico

Metgasco remains a 30% owner of the SM74 Licence having met its farm-in drilling commitment, no further operation activity is planned.

BYE Equity Holding and Planned In-Species Distribution

Metgasco's circa 39.4 million shares in Byron Energy (ASX:BYE) remain a significant asset of the company. The recent increase in Byron's share price is clearly directly related to the WTI oil price increasing and reflects the substantial prospectivity inherent in Byron's shallow-water Gulf of Mexico portfolio. Every 1 cent increase in BYE's share price adds around \$400k of value to Metgasco's balance sheet.

During the quarter Metgasco sold a further 1.5 million BYE shares to realise \$210k for working capital purposes.

While Metgasco intends to sell BYE shares occasionally as part of its normal capital management process, it views this asset as strategic in nature and furthermore remains committed to its previously stated intention to undertake a distribution of 20 million of BYE shares to its shareholders when this will be prudent and responsible.

Subsequent Event - Capital Raising (Placement and SPP):

In late July a Share Placement (placement) of \$1.375 mill (before issue costs) was completed by offering 55 million new shares to institutional and sophisticated investors at an issue price of \$0.025 per share. Each new share issued under the placement will also receive an attaching option on a 1 for 3 basis with a strike price of \$0.05, expiring 30 September 2021, with issuance of options subject to shareholder approval. The placement price of \$0.025 per share represents a discount of 24.2% on the closing price of Metgasco on 15 July 2020 and a discount of 24.4% on the 30-day VWAP to 15 July 2020.

The Company will also offer existing shareholders the opportunity to participate in a Share Purchase Plan ("SPP"), targeting up to \$2 million, at the same issue price of \$0.025 per share. In line with the placement, each new share issued under the SPP will likewise receive an attaching option on a 1 for 3 basis with a strike price of \$0.05, expiring 30 September 2021, with issuance of options also subject to shareholder approval (refer 20 July ASX release).

In order to participate shareholders must have been recorded on the register at 5.00 pm (AEST) on 17 July 2020. Eligible shareholders will be entitled to apply for shares for a minimum investment of \$2,500 and maximum investment of \$30,000, with no transaction or brokerage costs.

Funds from the Placement and SPP will be used to progress the Vali-1 ST1 discovery well including stimulation, well testing, completion and, assuming a JV decision on commerciality, connection in order to meet the estimated production milestone of Q1 CY2021. The company will retain ample financial capacity to advance its significant Perth Basin Cervantes prospect and potentially undertake further corporate and capital management initiatives in the interests of shareholders.

Corporate Activities:

Cost Control Measures

In March the board took additional measures to conserve capital in the business which resulted in the board and CEO reducing their salaries to 50% and the CFO to 70%. In May CEO Ken Aitken agreed to defer a further 25% of his salary, and independent directors Mr. Philip Amery and Dr. Robbert Willink have volunteered to waive their already halved board fees, to the end of July 2020.

Melbana

The company received, in April, correspondence by Melbana (ASX:MAY) calling for a meeting of shareholders in order to remove certain directors of Metgasco and place certain nominees of Melbana on the Metgasco board. The Metgasco shareholders overwhelmingly voted against the appointment of the two directors nominated by Melbana at an extraordinary general meeting held on 23 June 2020 (refer ASX release 23 June).

Business Development Opportunities

During the quarter Metgasco continued to review new business development opportunities which fit our strategy.

Cash position

The Company ended the Quarter with a cash balance of A\$158K and with no debt.

The following is a reconciliation of the Company's cash position from 1 April 2020 to 30 June 2020:

	\$A'000
Cash at 31 March 2020	140
Sale of investments	210
Exploration and evaluation expenditure	(5)
Overhead and administrative	<u>(187)</u>
Cash at 30 June 2020	158

Shareholders should note that the Company's shareholding in Byron (approx. \$5.5 million as at 30 June 2020), is not included in the Company's cash position disclosure above.

Shareholder base

At 30 June 2020, Metgasco had 390,601,434 shares on issue and 1,934 shareholders. Its top 20 holders held 234,885,222 shares or 60.13% of the Company's issued capital.

Certified Resources

Prospective Resources relating to the farm-in on L14 were announced on 10 September 2019. On 3 March 2020, the ATP2021 JV announced the contingent resources attributed to the gas discovery of the Vali-1 ST1 exploration well. (see ATP2021 section above). On 22nd November 2019, the ATP2021 JV announced the prospective resources related to with the Odin prospect within PRL211.

Outlook - Work program for next quarter

The Company looks forward to finalising the testing work on Vali-1 ST1 and on success continue planning with operator Vintage to further appraise and develop the Vali-1 ST1 discovery well in ATP2021. Cervantes Project- prepare for final spring flora survey and submit environmental applications to government. Continue to progress drilling planning for the Cervantes Prospect. Progress discussions to identify and share a drilling rig with other Perth Basin operators and identify long lead drilling items.

ENDS

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Tenement Listing				
Tenement Reference	Location	Nature of Interest	Interest at 31 March 2020	Interest at 30 June 2020
Cooper/Eromanga				
ATP2020	QLD	100% owner & Operator of Licence	100%	100%
ATP2021	QLD	25% working interest in Licence	25%	25%
PRL211	SA	Farm in. Pay 25% of well for 21.25% of licence interest.	21.25%* subject to agreement and government licence transfers.	21.25%*subject to farm-in agreement terms of drilling one exploration well
PRL237	SA	20% Working Interest in Licence	20%	20%
Perth Basin				
Cervantes Prospect in Western Flank area in L14 Production Licence	WA	Pay 50% of well cost for 30% interest in structural Hydrocarbons discovered	30%* *Farm Out to Vintage 15 November	30%*
2 nd Exploration Prospect in L14 Production Licence	WA	60% interest in structural Hydrocarbons discovered	Option right to 60% interest by paying 100% of well cost via exercising well option from 1 st April to 31 st December 2020- Vintage have the first option to participate in the well	Option right to 60% interest by paying 100% of well cost via exercising well option from 1 st April to 31 st December 2020- Vintage have the first option to participate in the well
Byron Energy Limited				
SM74	USA, GoM	30% working interest and 24.37% net revenue interest	30%	30%

Forward Looking Statements:

This document may contain forward-looking information.

Forward-looking information is generally identifiable by the terminology used, such as "expect", "believe", "estimate", "should", "anticipate" and "potential" or other similar wording.

Forward-looking information in this document includes, but is not limited to, references to: well drilling programs and drilling plans, estimates of potentially recoverable resources, and information on future production and project startups.

By their very nature, the forward-looking statements contained in this document require Metgasco and its management to make assumptions that may not materialise or that may not be accurate. Although Metgasco believes its expectations reflected in these statements are reasonable, such statements involve risks and uncertainties, and no assurance can be given that actual results will be consistent with these forward-looking statements.

Appendix 5B

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

Name of entity

Metgasco Ltd

ABN

24 088 196 383

Quarter ended ("current quarter")

30 June 2020

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation (if expensed)	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(75)	(745)
	(e) administration and corporate costs	(162)	(844)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	10
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	50	50
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	(187)	(1,529)
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation (if capitalised)	(5)	(2,271)
	(e) investments	-	(2,800)
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	210	4,956
	(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)	-	-
2.6	Net cash from / (used in) investing activities	205	(116)

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	140	1,803
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(187)	(1,529)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	205	(116)
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 (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	158	158

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	158	140
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)	158	140

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**

11

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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

Amounts included in 6.1 are remuneration payments made to Directors

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

7. Financing facilities		Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<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>			
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.		

8. Estimated cash available for future operating activities		\$A'000
8.1	Net cash from / (used in) operating activities (Item 1.9)	(187)
8.2	Capitalised exploration & evaluation (Item 2.1(d))	(5)
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(192)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	158
8.5	Unused finance facilities available at quarter end (Item 7.5)	-
8.6	Total available funding (Item 8.4 + Item 8.5)	158
8.7	Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	0.82
8.8	If Item 8.7 is less than 2 quarters, please provide answers to the following questions:	
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	
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 has recently completed a \$1.375M share placement and intends to raise a further \$2M through a SPP, please refer to ASX announcement on 20 July 2020	
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, as per answer 2.	

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 July 2020**

Authorised 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 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.