

ASX

ANNOUNCEMENT

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 30 June 2020

31 July 2020

Quarterly Highlights

Galalar Silica Project, Qld

- Total Mineral Resource increased by 25% to an estimated 47.5 million tonnes (Mt) > 99% SiO₂, including maiden Measured Mineral Resource comprising 30.9 Mt > 99.28% SiO₂.
- Independent economic study shows Galalar Silica Project would deliver sizeable economic injection into Hope Vale, Cooktown and surrounding region, including approx. \$23-24 million in construction phase and up to \$42m in operation, generating more than 110 full-time equivalent jobs, including flow-on effects
- **Post-quarter:** Initial Advice Statement and draft terms of reference released for project's Environmental Impact Statement (EIS), targeting regulatory approval next year and first production from 2022.

Cyclone Zircon Project, WA

- Talks continuing to formalise potential project participants' interests amid continued solid demand and constrained supply outlook for zircon.

Corporate

- Annual General Meeting held on Thursday, 30 July 2pm AEST in Brisbane
- **Post-quarter:** Mr Michael Chapman appointed as Non-Executive Director, effective 1 August; has more than 40 years' experience in development, engineering, construction and management of open-cut and underground mining projects in Australia and internationally.



COMING SEPTEMBER QUARTER ACTIVITIES

Diatreme's operational focus for the September quarter 2020 comprises the following:

- **Galalar Silica Project**

- Engagement with regulatory agencies regarding collation of public input into draft terms of reference for the EIS studies
- Planned installation of surface water and groundwater monitoring network to establish baseline water quality and water resources for EIS technical studies;
- Further bulk product testing and product development targeting high end premium silica products;
- Further transshipment and logistics studies targeting most economical options for project with minimal environmental impact;
- Further engagement with project partners, Hopevale Congress and relevant regulatory/government agencies to advance project approvals and preferred logistics solution;
- Progression towards formalised offtake agreements;
- Further bulk sampling and testing for resource upgrades and mine planning for definitive feasibility study (DFS).

- **Cyclone Zircon Project**

- Assemble optimum mix of commercial parties to facilitate project's development, amid rising demand for zircon and constrained supply.
- Advance discussions with interested parties to develop the Project on terms acceptable to Diatreme.

GALALAR SILICA PROJECT, QLD

The June quarter 2020 saw further advances at Diatreme's Galalar Silica Project, with the North Queensland project seen capable of making a major contribution to the Hope Vale/Cooktown region's post-pandemic recovery, based on its ability to supply premium silica sand product to Asia's fast-growing solar PV market.

On 8 April 2020, Diatreme released the results of an independent economic study which showed the project would deliver a sizeable economic injection into Hope Vale, Cooktown and the surrounding region, including approximately \$23-\$24 million in the construction phase and up to \$42m in operation.



Importantly, the study by Cummings Economics also showed the project could generate more than 110 equivalent full-time jobs including flow-on effects, becoming Hope Vale's largest employer outside local government and providing a significant boost to household incomes.

The study estimated annual revenue of \$80.25 million based on a production target of 750,000 tonnes per annum (tpa) of high-grade silica, priced at US\$75 per tonne. The project could generate \$1.475m in annual state royalties and more than \$10 million in company tax for the benefit of the community, with an estimated after-tax return of \$24.7m (Cooktown loading option) or \$39.2m (Nob Point loading option).

Government savings are estimated at some \$2m per annum from a reduction in welfare benefits and increased income tax from the region.

A preferred logistical solution for the project is also being advanced in consultation with the relevant regulatory agencies. Nob Point is considered the most environmentally and economically beneficial option compared to trucking product from the mine site for loading at Cooktown, as the latest study reinforced.

Note: *The studies undertaken on the Galalar Silica Project regarding regional economic and social benefits by Cummings Economics are based on relevant independent assessments and the project's scoping study (as per ASX announcement 9 September 2019) and have been undertaken as part of the voluntary EIS process Diatrema has underway with the relevant Qld Government regulatory agencies and as such assumes the project is implemented and has all relevant approvals to undertake the development and mining activity. The full economic impact study along with all other relevant studies will be released for public examination through the public engagement process of the EIS over the coming months.*

In a further boost for the project, Diatrema announced on 12 May an increase in Galalar's total Mineral Resource and a maiden Measured Mineral Resource. The total Mineral Resource rose by 25% to 47.5 Mt, while the maiden Measured Mineral Resource estimate comprised 30.9 Mt > 99.28% SiO₂.

Table 1: Galalar Silica Sand Project: JORC Resource Estimate*

JORC Category	Al ₂ O ₃ Grade	Fe ₂ O ₃ Grade	TiO ₂ Grade	Cut-off SiO ₂ %	SiO ₂ % Grade	Silica Sand (Mm ³)	Density (t/m ³)	Silica Sand (Mt)
Inferred	N/A	N/A	N/A	99.0%	>99.0%	6.54	1.62	10.59
Indicated	0.08	0.06	0.10	98.50	99.10	3.71	1.62	6.02
Measured	0.11	0.09	0.10	98.50	99.28	19.07	1.62	30.89
Inferred + Indicated + Measured						29.32	1.62	47.50

* Resource estimate current as of 6 May 2020.

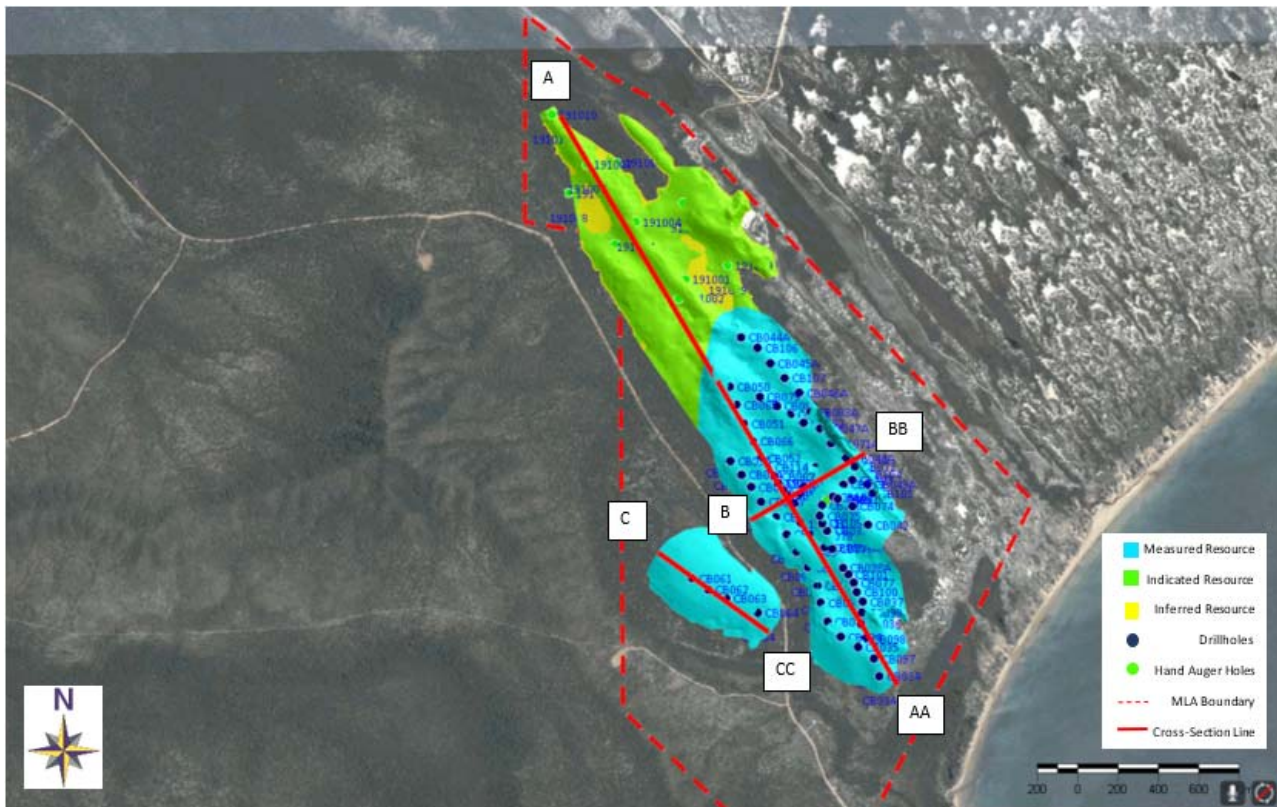


Figure 1: Resource Boundary and Drillholes Used for Measured/Indicated/Inferred Resource Estimation

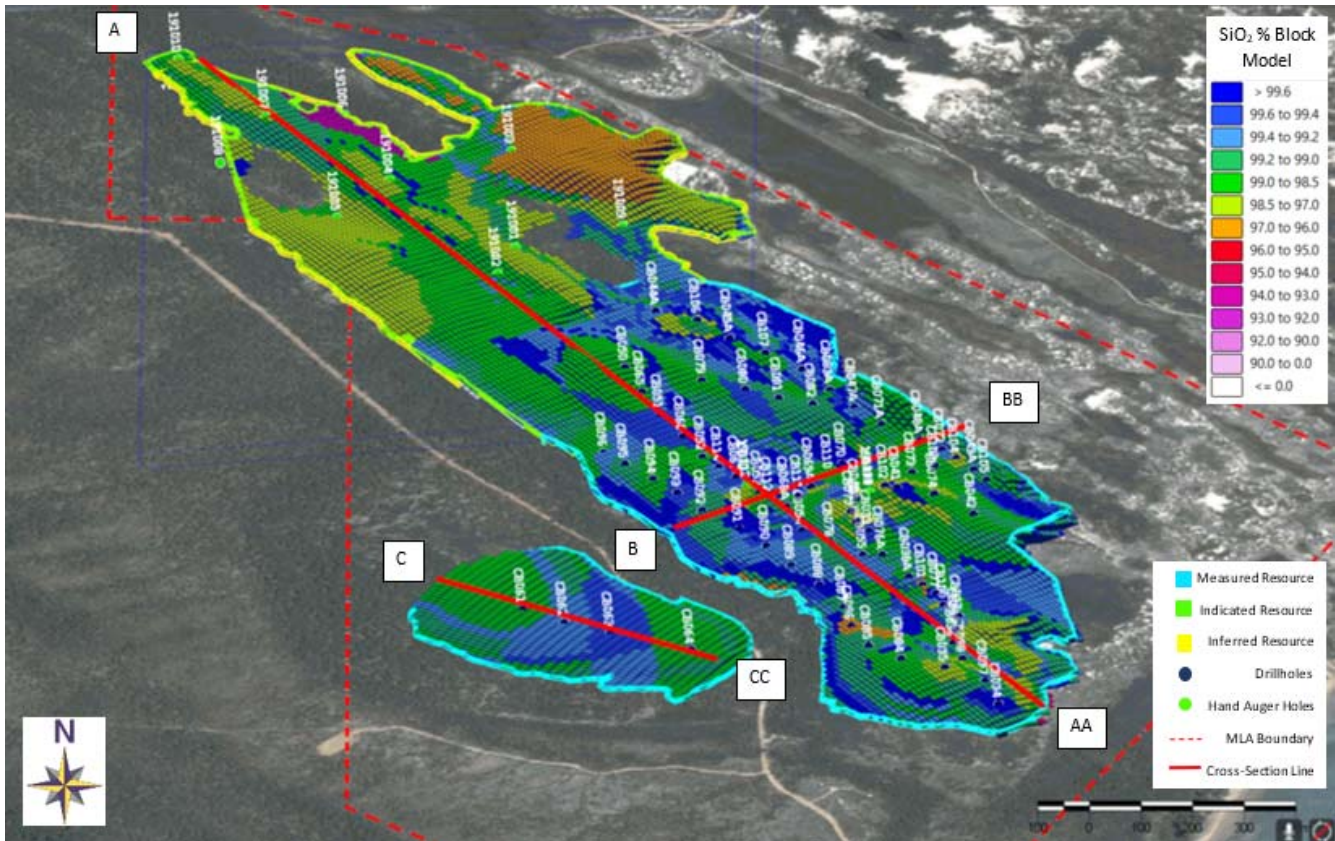


Figure 2: Isometric view of Block Model

Post-quarter, Diatreme announced on 24 July another advance in the regulatory approval process, with the release of the Initial Advice Statement (IAS) and draft terms of reference (DToR) for the project's environmental impact statement (EIS).

This followed acceptance by the Queensland Department of Environment and Science (DES) of the Company undertaking a voluntary EIS process under the *Environmental Protection Act 1994 (Qld)* (EP Act) (refer ASX release dated 6 February 2020).

The DToR are now available for public comment and input, with a public advertisement regarding the public engagement process placed in the *Weekend Australian* newspaper dated 25 July 2020.



The Company has also received notice that the Commonwealth Government's *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act) referral process is now complete following the Commonwealth Minister's 'controlled action' decision of 5 June 2020.

The Commonwealth Department of Agriculture, Water and the Environment (DAWE) has provided guidelines setting out its requirements for the EIS and these will complement the final Queensland ToR.

Comments on the scope and terms of the DToR will be received and collated by DES over a period of 30 business days and then forwarded to Diatreme for review. The Company will then prepare a detailed report setting out information concerning all comments received and recommendations for any necessary changes to the DToR. DES will then review these recommendations and issue the final ToR, at which point the EIS process will formally commence.

The EIS will be informed by a program of detailed technical studies designed to address the ToR and guidelines. Many of these studies have already commenced and are well advanced, as part of Diatreme's aim of speeding the project's development and reducing any uncertainties.

The IAS that is now out for public comment along with the DToR has been informed by these early studies and is a far more comprehensive document than is normally issued at this stage of a project. The public will therefore be able to have a sound appreciation of the Galalar project and the efforts that have been made to minimise impacts early in the process.

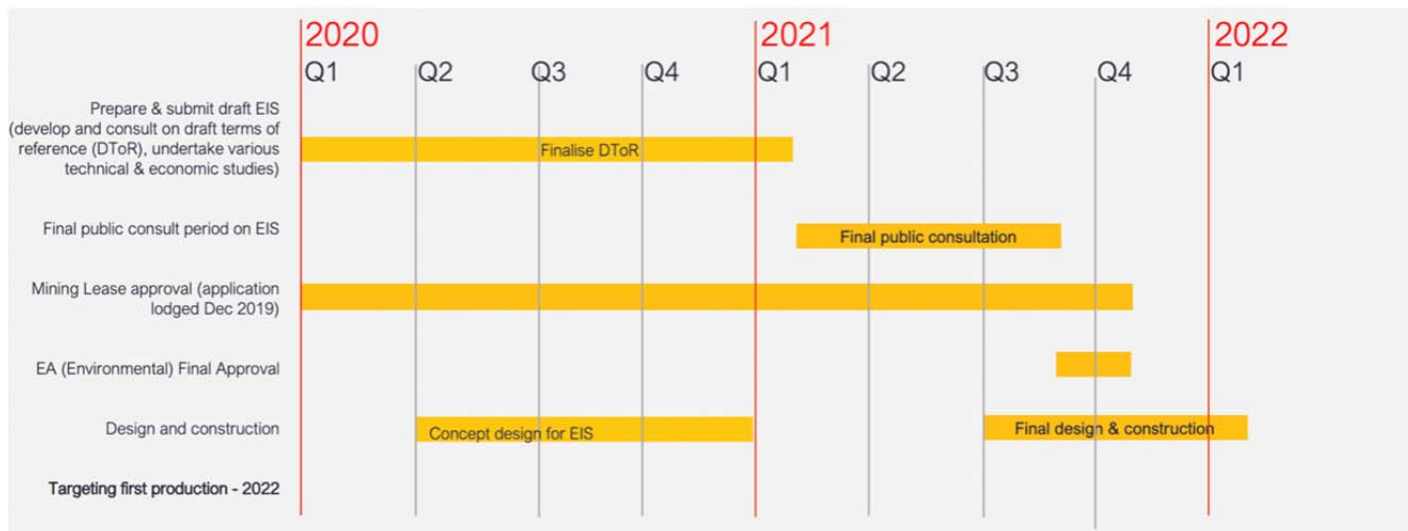
Once the draft EIS has been deemed to be satisfactory by DES and DAWE, another round of public input will commence and if necessary, the draft EIS will be revised or supplementary studies undertaken. At that time, assessment of state and Commonwealth matters will be undertaken under the Queensland/Commonwealth bilateral agreement.

Following approval of the EIS, Diatreme will then proceed to finalise the Environmental Authority (EA) which, together with the mining lease (ML) that was applied for in December 2019 and various operational works approvals, will permit the project to commence.



Expected timelines and next steps

The following diagram provides an outline of the expected EIS timelines and next steps for the project:



Note: Timeline is subject to Company’s continuing ability to raise required implementation funding

Located around 200km north of Cairns and 20km from the port of Cooktown, the Galalar project (EPM 17795) lies within the same sand dune system and in close proximity to the world’s largest operating silica sand mine at Cape Flattery. Testwork has demonstrated the project’s ability to produce a premium-grade product for solar (photovoltaic) panels and also ultra-thin electronics, attracting significant price premiums.

To be developed in partnership with traditional owners, Hopevale Congress (12.5% project interest), the Galalar project is expected to provide a significant boost to the local community as highlighted by the latest economic study.

Diatreme also aims to ensure a sustainable project is developed, with the potential to become net ‘carbon neutral’ based on the likely use of its product in China, where it is expected to help reduce dependence on coal-fired power and improve air quality and advance the de-carbonisation initiatives (renewable energy focus) currently underway in virtually all developed economies.

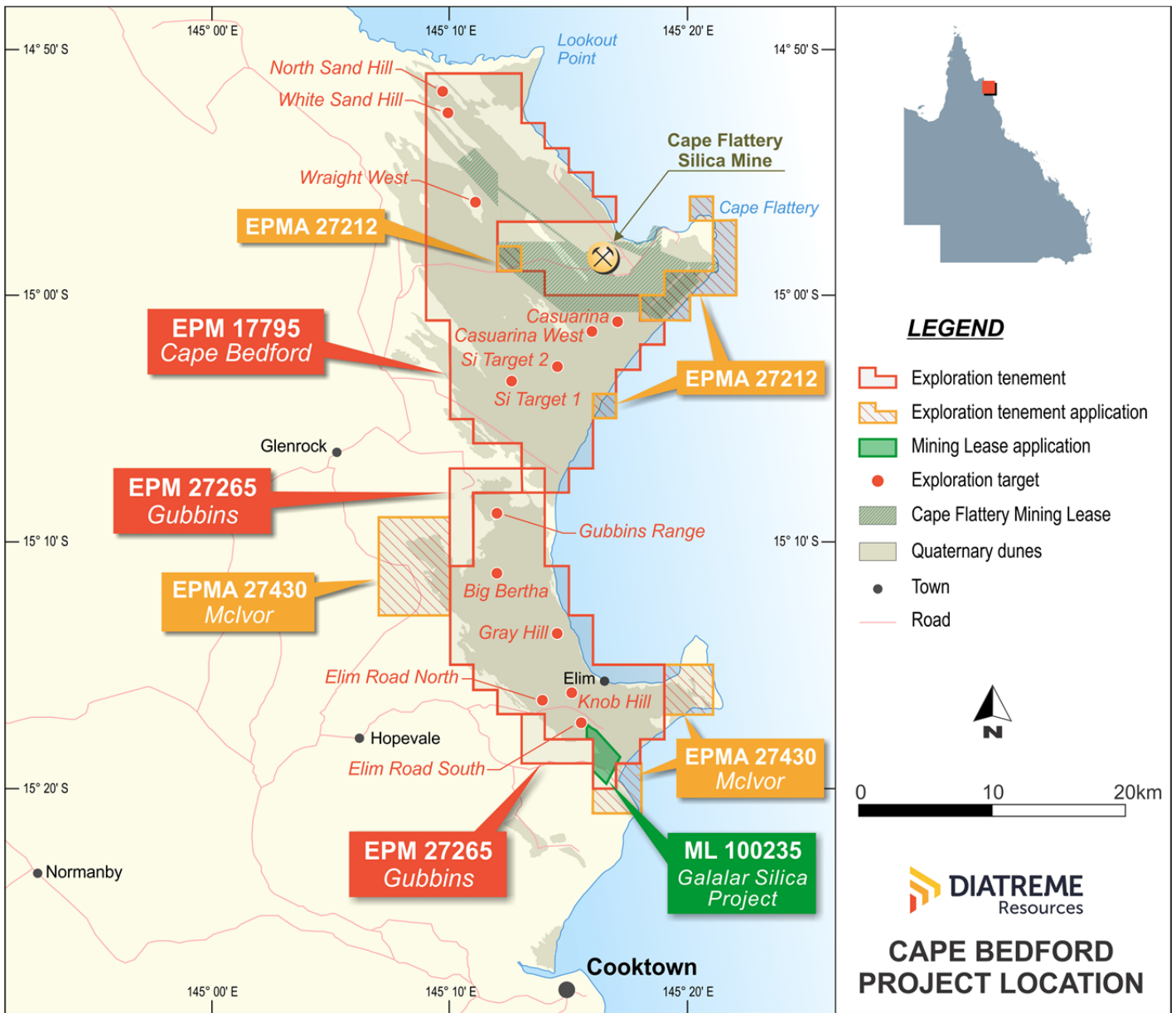


Figure 3: Galalar Silica Project location including exploration tenements and applications



CYCLONE ZIRCON PROJECT, WA

Diatreme continued discussions during the quarter with potential project participants with the aim of maximising shareholder value from the Cyclone project.

Constrained supply of high-grade zircon and solid demand underpin the project's fundamentals, with China's emergence from the COVID-19 pandemic contributing to rising construction activity and hence demand for zircon.

A number of parties have entered the data room and Diatreme remains confident of finding the right partner to drive the shovel-ready (all primary approvals in place) project's development.

As previously flagged, in conjunction with its corporate adviser, Diatreme has examined amongst various development options the potential for Cyclone's holding vehicle, Lost Sands Pty Ltd to be annexed into a separated process allowing an external funding package (not dilutionary to Diatreme shareholders) and a specialist management team put in place.

This potential structure would still allow the continued rapid progress and advancement of the Company's Galalar Silica Project without causing management to lose focus or divert fiscal resources to that task.

Diatreme is advanced in discussions with various parties and will keep the market informed when these potentially transition to a formally documented process.

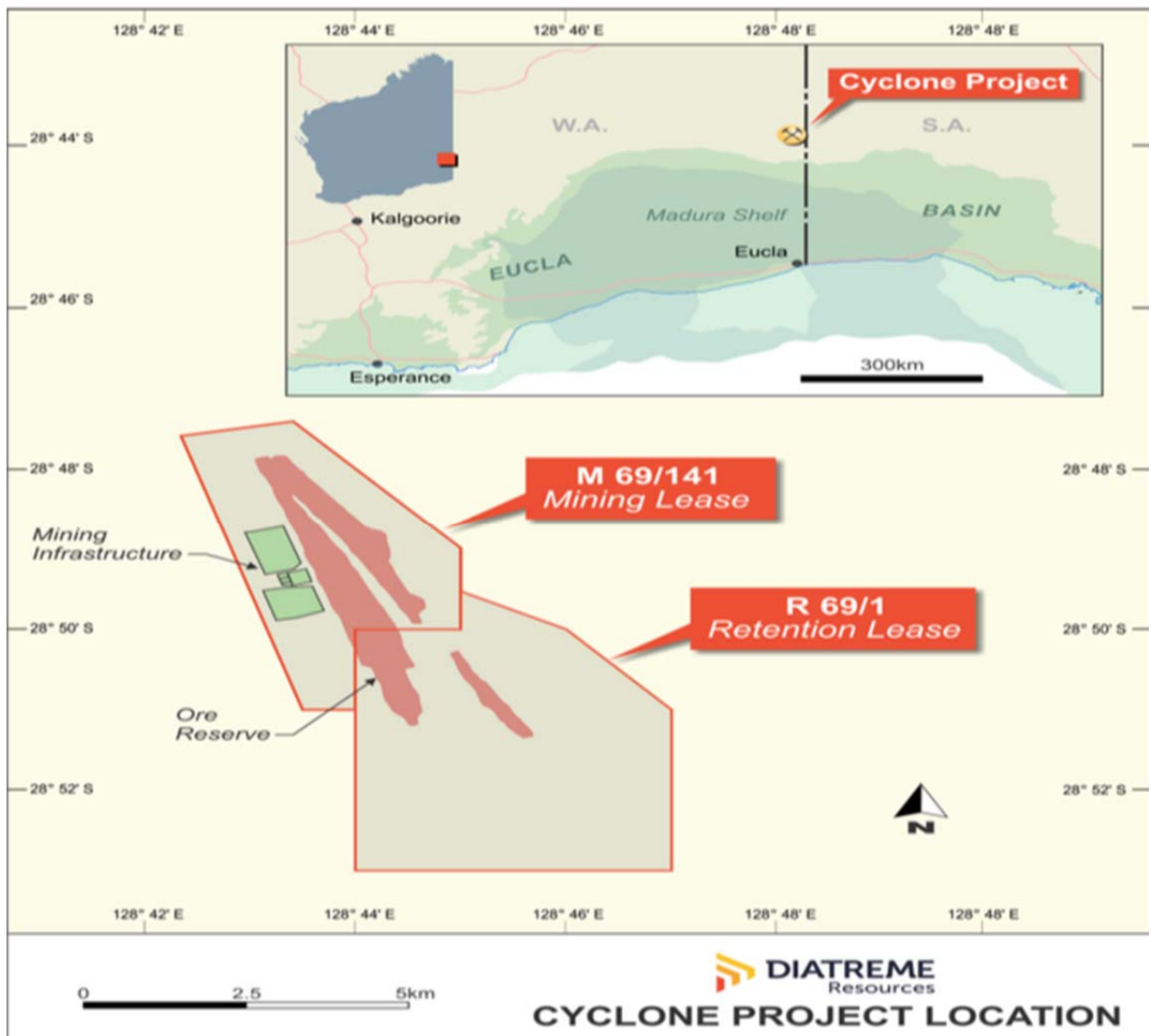


Figure 4: Cyclone project location



CLERMONT COPPER/GOLD PROJECT, QLD

Diatreme management and external consultants continue to review the Clermont Copper/Gold Project, particularly the Rosevale Porphyry Corridor, to determine its potential for further exploration, disposal or joint venture.

Recent gold sector activity has created an opportunity for Diatreme to structure a similar transaction to its recent Tick Hill asset divestment which it is currently actively pursuing with interested parties.

The Company will inform the market should these discussions progress to a documented offer.

CORPORATE

On 20 April, Diatreme announced the deferral of the Company's Annual General Meeting (AGM), due to the impact of restrictions imposed on travel and assembly over the COVID-19 pandemic.

On 10 June, Diatreme advised that the AGM would be held on 30 July commencing at 2pm AEST at the Company's head office at Unit 8, 61 Holdsworth St, Coorparoo, Qld. A Notice of Annual General Meeting was issued on 24 June.

Strengthening the Company's Board, Diatreme has appointed experienced mining engineer Michael Chapman as a Non-Executive Director, effective 1 August. Mr Chapman has more than 40 years' experience in the development, engineering, construction and management of open-cut and underground mining projects in Australia and internationally, with experience in commodities spanning coal, copper, iron ore and nickel.

His practical mining and mine management knowledge is expected to be extremely valuable as Diatreme progresses from exploration into production, with his expertise complementing the Board's existing mix of skills and experience.

Diatreme also advanced its engagement with investors through its participation in the Noosa Mining Virtual conference, with CEO, Neil McIntyre presenting on 16 July. A copy of his presentation is available via Diatreme's website, while the presentation can be accessed via <https://www.noosaminingvirtual.com.au/>.

During the quarter the Company made payments totaling \$59k to related parties and their associates representing Directors' remuneration.

The Company's cash and liquids positions as at 30 June 2020 totaled * \$1.42m

*This includes \$796k cash and \$624k in CNB (ASX listed) shares which were subsequently sold and converted to cash immediately post the June quarter.

This announcement was authorised for release by:



Neil McIntyre
Chief Executive Officer

Greg Starr
Chairman

Contact – Mr Neil McIntyre - Ph – 07 3397 2222

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MINERAL SANDS AND SILICA - COMPETENT PERSON STATEMENTS


The information in this report that relates to Mineral Resources at the Cape Bedford Project (including the Galalar Silica Project) is based on information compiled by Bryce Mutton from Ausrocks Pty Ltd who has significant experience in Industrial Minerals and Quarry Resource assessments.

Bryce Mutton has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity for which he 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 (The JORC Code). Bryce Mutton consents to the inclusion in the report on the matters based on their information in the form and context in which it appears.

The information in this report that relates to Exploration Results and Exploration targets from the Cape Bedford Project is based on information reviewed and compiled by Mr. Neil Mackenzie-Forbes, a Competent Person who is a Member of the Australian Institute of Geoscientists. Mr. Mackenzie-Forbes is a director of Sebrof Projects Pty Ltd (a consultant geologist to Diatreme Resources Limited). Mr. Mackenzie-Forbes has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken 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'. Mr. Mackenzie-Forbes consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report, insofar as it relates to Mineral Resources at the Cyclone Project is based on information compiled by Mr Ian Reudavey, who was a full time employee of Diatreme Resources Limited and a Member of the Australian Institute of Geoscientists. Mr Reudavey has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he has undertaken 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'. Mr Reudavey consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

The information in this report, insofar as it relates to Ore Reserves at the Cyclone Project is based on information compiled by Mr Phil McMurtrie, who is a director of Tisana Pty Ltd (a consultant to Diatreme Resources Limited), and a Member of the Australasian Institute of Mining and Metallurgy. Mr McMurtrie has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he has undertaken 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'. Mr McMurtrie consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

Forward looking statements: *This document may contain forward looking statements. Forward looking statements are often, but not always, identified by the use of words such as “seek”, “indicate”, “target”, “anticipate”, “forecast”, “believe”, “plan”, “estimate”, “expect” and “intend” and statements that an event or result “may”, “will”, “should”, “could” or “might” occur or be achieved and other similar expressions. Indications of, and interpretations on, future expected exploration results or technical outcomes, production, earnings, financial position and performance are also forward-looking statements. The forward-looking statements in this presentation are based on current interpretations, expectations, estimates, assumptions, forecasts and projections about Diatreme, Diatreme’s projects and assets and the industry in which it operates as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made. The forward-looking statements are subject to technical, business, economic, competitive, political and social uncertainties and contingencies and may involve known and unknown risks and uncertainties. The forward-looking statements may prove to be incorrect. Many known and unknown factors could cause actual events or results to differ materially from the estimated or anticipated events or results expressed or implied by any forward-looking statements. All forward-looking statements made in this presentation are qualified by the foregoing cautionary statements.*

Disclaimer: *Diatreme and its related bodies corporate, any of their directors, officers, employees, agents or contractors do not make any representation or warranty (either express or implied) as to the accuracy, correctness, completeness, adequacy, reliability or likelihood of fulfilment of any forward-looking statement, or any events or results expressed or implied in any forward looking statement, except to the extent required by law. Diatreme and its related bodies corporate and each of their respective directors, officers, employees, agents and contractors disclaims, to the maximum extent permitted by law, all liability and responsibility for any direct or indirect loss or damage which may be suffered by any person (including because of fault or negligence or otherwise) through use or reliance on anything contained in or omitted from this presentation. Other than as required by law and the ASX Listing Rules, Diatreme disclaims any duty to update forward looking statements to reflect new developments.*

APPENDIX 1

Appendix 1 provides information required under ASX listing rule 5.3.3 for mineral exploration entities.

Interest in mining tenements at end of quarter

State	Tenement Name	Tenement ID	Status	Location	Interest	Holder
WA	Cyclone	M69/141	Granted	Eucla Basin	100%	LSPL
WA	Cyclone Extended	R69/1	Granted	Eucla Basin	100%	DRX
QLD	Clermont	EPM17968	Granted	Clermont	100%	CHAL
QLD	Cape Bedford	EPM17795	Granted	Hopevale	100%	DRX
QLD	Cape Bedford	EPM27265	Granted	Hopevale	100%	DRX
QLD	Cape Bedford	EPM27212 EPM27430	Applications	Hopevale	(Pending)	DRX
QLD	Cape Bedford	ML100235	Application	Hopevale	(Pending)	DRX

Beneficial percentage interests held in farm-in or farm-out agreements at end of quarter

State	Project Name	Agreement Type	Parties	Interest held at end of quarter	Comments
WA	Cyclone Zircon Project	Farm-out Heads of Agreement	LSPL and Perpetual Mining Holding Limited	94%	HoA announced Jan 2014, initial 6% farm-out completed 18 Sept 2014 – Subject to dilutionary non-contribution clauses.

Abbreviations:

M	Western Australia	Mining Lease	DRX - Diatreme Resources Limited
R	Western Australia	Retention Licence	CHAL – Chalcophile Resources Pty Ltd
EPM	Queensland	Exploration Permit for Minerals	LSPL – Lost Sands Pty Ltd
ML	Queensland	Mining Lease	

Appendix 5B

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

Name of entity

DIATREME RESOURCES LIMITED

ABN

33 061 267 061

Quarter ended ("current quarter")

30 June 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	4	8
1.2 Payments for		
(a) exploration & evaluation (if expensed)		
(b) development		
(c) production		
(d) staff costs	(140)	(286)
(e) administration and corporate costs	(157)	(315)
1.3 Dividends received (see note 3)		
1.4 Interest received	6	6
1.5 Interest and other costs of finance paid	-	(1)
1.6 Income taxes paid		
1.7 Government grants and tax incentives ^{Note (b)}	98	98
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(189)	(490)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities		
(b) tenements		
(c) property, plant and equipment	(2)	(7)
(d) exploration & evaluation (if capitalised)	(741)	(1,331)
(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 ^{Note (a)}	153	153
	(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)	(1)	(1)
2.6	Net cash from / (used in) investing activities	(591)	(1,186)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	15
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)	(15)	(30)
3.10	Net cash from / (used in) financing activities	(15)	(15)
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,591	2,487
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(189)	(490)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(591)	(1,186)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(15)	(15)

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		
4.6	Cash and cash equivalents at end of period	796	796

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	190	91
5.2	Call deposits	606	1,500
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)	* 796	1,591

* Note: (a) Additional to above - cash receipts of \$623,715 received immediately post the June quarter from the on-market sale of DRX held CNB shares.

(b) Additional to above COVID-19 related "Cash Flow Boost" and "Jobkeeper" receipts, the Company expects to receive further COVID-19 government assistance funding of \$110,000 during the September ending 2020 quarter

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
59

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

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

7. Financing facilities <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>	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 (see below)	1,500	1,500
7.4 Total financing facilities	1,500	1,500
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.		
<p>\$1.5M of (\$3M) Convertible Note facility, originally due for repayment on 31 July 2018, extended to mature on 31 July 2020. Balance of \$1.5M and all accrued interest up to 31 July 2018, has been converted into fully paid ordinary shares. (Refer Appendix 3B - 24 October 2018)</p> <p>Under a new agreement, an extension of the \$1.5M for a further 16 months from current maturity date of 31 July 2020 to 30 November 2021. Interest rate of 7.0% per annum (from 1 August 2020), and unsecured. Lender is Ms Jie Wu, an unrelated party. (Refer to ASX announcement 27 March 2020)</p>		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(189)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	(741)
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(930)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	796
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	796
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	0.86
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:

The Company notes immediately post June quarter cash reporting period, the Company received \$624k cash from the sale on market of CNB shares. With this inclusion the Company's actual cash position would equate to 1.5 quarters cash coverage.

In addition, the company continues to engage with key major shareholders and is continually evaluating its strategic options with regards to partnerships, sale or /J/V of its projects. The company also has the option to raise equity through capital raising utilising its current full placement capacity. Furthermore, when the Board forms the view on when the timing is appropriate, it anticipates any future possible capital raising will be well supported by existing shareholders and through its well-established and supportive Broker network.

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: The entity expects to continue its operations and meet its business objectives with potential for future funding either through partnerships contribution, asset sales or through equity raisings.

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 July 2020

Authorised by: By the Board

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.