

Quarterly Report

**For the period ended 31
December 2021**

- Hawsons Iron is answering the world's call for high grade iron ore products
- The Company has a 94% interest in the Hawsons Iron Project, source of Hawsons Supergrade® product
- The Hawsons Iron Project will supply a product that will be in high demand from steelmakers who understand the benefits of producing "Green Steel"



A\$200M equity deal fortifies project funding plans

hawsons.com.au
ASX: HIO

 **Hawsons
IRON** | WORLD'S
BEST IRON ORE
PRODUCT

Highlights

Hawsons Iron Project

- A material Mineral Resource upgrade was announced on 19 October 2021, including a 9% increase in Indicated Resources to 132 Mt and an 18% increase in Inferred Resources to 268 Mt.
- KPS Innovation recommended and validated a reduction of the commercial cut-off grade from 9.5% recovered magnetic fraction (Davis Tube Recovery) to 6%, significantly improving mining options and this was included in the above updated Mineral Resource upgrade.
- The Company signed a A\$200 million equity financing Put Option Agreement with United States investment group LDA Capital Limited to access additional funding to develop its high-grade iron ore project.
- The LDA agreement includes 71,500,000 unlisted share options and when exercised will inject further capital of up to \$50.05 million.
- Despite heavy rains which hampered site works in November/December and COVID-19 travel and site restrictions, the confirmatory drilling program remains on schedule and budget to further define the resource, provide samples for metallurgical test work, groundwater and geotechnical data.
- The Company continues to enjoy positive relations with landholders and receive strong support from the NSW Government through its State Significant Development status, while its Federal Government Major Project Status renewal is well advanced.
- Post December 31, 2021, the Company announced the appointment of leading consultants SLR Consulting and JukesTodd, to provide key Bankable Feasibility Study (BFS) inputs to support project development.

Corporate

- The first Annual General Meeting of Hawsons Iron Ltd was held on 16 November 2021 and all resolutions were passed.
- The Company issued 71.5 million unlisted Options to LDA Capital pursuant to the terms of the A\$200 million equity funding agreement announced on 22 December 2021.
- The Company's interest in the Hawsons Iron Project Joint Venture is to increase beyond the 93.963% currently held after JV partner Starlight Investment Company Pty Ltd failed to meet its cash call for December 31, 2021.
- Net cash used to fund activities during the quarter was \$2.069 million, with cash reserves at the end of the quarter standing at \$31.886 million.



Hawsons Iron Project

Resource upgrade achieved, A\$200M equity package in place

Hawsons Iron Ltd (ASX: HIO) is committed to completing the Bankable Feasibility Study (BFS) to support development of its proposed, high-grade Hawsons Iron Project near Broken Hill, NSW.

As announced on 19 October 2021, a report commissioned from geological experts H&S Consultants, using revised commercial cut-off grades, triggered a material Mineral Resource Upgrade, including a 9% increase in Indicated Resources to 132 Mt and an 18% increase in Inferred Resources to 268 Mt. *The Mineral Resources have been reported in accordance with the 2012 JORC Code and Guidelines.*

A pit optimisation study by KPS Innovation also confirmed the total resource boundary had not been fully identified, recommended and validated a reduction of the commercial cut-off grade from 9.5% recovered magnetic fraction (DTR) to 6%, significantly improving mining options. The report also determined the economic pit shell is significantly larger than the one that was used in the Prefeasibility Study (2017) and is being confirmed through the current Bankable Feasibility Study program (BFS).

Despite heavy rains, which hampered site works in November / December and various COVID-19 travel restrictions, the confirmatory drilling program remains on schedule following rig re-mobilisations with around-the-clock shifts and the engagement of additional contractors.

This program, involving up to 160 drill holes, will further define the resource and capture groundwater and geotechnical data for the BFS.

On 22 December 2021, the Company announced a A\$200 million equity financing Put Option Agreement with United States investment group LDA Capital Limited to access additional funding, if required, to develop the project.

This flexible, cost-effective, four-year funding package provides access to additional equity capital, enhancing project certainty and the Company's ability to deal with, among other things, any potential unforeseen events during development.

Importantly, LDA Capital's support recognises the quality of the Hawsons iron ore body, its commercial potential and strategic value within the emerging "Green Steel" supply chain.

The Company continues to enjoy positive relations with landholders regarding site access and provision of accommodation for drilling and field workers and looks forward to maintaining these relationships into the future.

The NSW Government also remains strongly supportive with the project recognised as a State Significant Development, while Federal Government Major Project status renewal is well advanced. Based on 10Mtpa the project would provide some 1200 jobs for the Broken Hill region during construction and 500 more once the mine is in operation.

Post 31 December 2021, leading consultants SLR Consulting and JukesTodd (JT) were appointed to progress and accelerate the BFS. SLR will lead environmental studies as EIS Consultant while JT will provide commercial and technical advisory as Integrated Delivery Partner.

"LDA Capital's support recognises the quality of the Hawsons iron ore body, its commercial potential and strategic value within the emerging "Green Steel" supply chain.

Hawsons Supergrade® product should attract a premium price and withstand the vagaries and volatility of the iron ore price cycle, making the project economically viable at varying iron ore price points." — Hawsons Iron Executive Chairman, Bryan Granzien

Green steel and soft ore

Recent reports have confirmed the increasing global focus on "Green Steel" and the high-grade Fe feed stock so essential to decarbonising steelmaking. Consequently, there is strong demand and investment potential from Steel Mills and Traders to secure the Hawsons Supergrade® product, which at nearly 70% Fe, offers the highest iron content to be available on the seaborne market.

Hawsons Supergrade® product should attract a premium price and withstand the vagaries and volatility of the iron ore price cycle, making the project economically viable at varying iron ore price points.

Importantly, the Hawsons ore body is uniquely contained within a soft siltstone – rather than the hard, glass-like silica rock called "chert" common to the magnetite orebodies found in the Pilbara region of Western Australia.

The orebody's relative softness offers clear commercial advantages by requiring significantly less energy during crushing and grinding to extract the magnetite concentrate, while a higher grade is achieved because the ore breaks cleanly around the grain boundaries, easily separating from impurities and waste materials.

The project's Environmental and Social Governance credentials will be further enhanced by the use of renewable energy.

Features



Green steel leader with the lowest CO2 emissions through the value chain and production options for net zero emissions.



Low impurities – high ESG appeal.



Valuable to all iron makers, including direct reduced iron (DRI), Electric Arc Furnaces (EAF), pellet plants and blast furnaces.



First quartile of global cost curve.



Inherent energy in magnetite ore decreases energy consumption, for end users.



Outstanding location. Access to renewable energy sources and multiple transport options.

70%

Iron percentage of Hawsons Supergrade® product.

12.0

Offtake demand for Hawsons Supergrade® product (Mtpa).

201

Total production of Hawsons Iron Project (million tonnes). As per the PFS release on 28 July 2017.

The Company confirms that all assumptions and technical parameters underpinning the Resource and Reserve estimates and all material assumptions underpinning the production target or the forecast financial information derived therefrom continue to apply and have not materially changed since first reported on 28 July 2017.



Corporate

The first Annual General Meeting of Hawsons Iron Ltd was held on 16 November 2021 and all resolutions were passed. The AGM provided a welcome opportunity to address and engage with shareholders through a COVID-safe online portal.

Executive Chairman Bryan Granzien said it was pleasing to see the share price starting to reflect the progress made over the past year and close the gap between the Company's market capitalisation and value of its underlying quality asset.

The Company issued 71.5 million unlisted Options to LDA Capital pursuant to the terms of the A\$200 million equity funding agreement announced on 22 December, 2021 with potential to deliver up to a further \$50.05 million if exercised.

The Company's interest in the Hawsons Iron Project Joint Venture will increase beyond the 93.963% currently held after JV partner Starlight Investment Company Pty Ltd failed to meet its cash call for December 31, 2021. HIO will fund Starlight's share, so the BFS program remains unaffected and on track for completion by the end of 2022.

HIO's corporate, investor and community communications and engagement capabilities have been further strengthened with the appointment of specialist consultants to support and promote the Company's endeavours throughout the BFS program and beyond.

Integral to the BFS process the Company is evaluating all of the key components and assumptions of the PFS (2017), leaving no stone unturned in validating and selecting optimal solutions.

Cash Activities for the Quarter ending 31 December 2021

Hawsons Iron Ltd held cash of \$31.886 million at the end of the December 2021 quarter, down \$2.069 million from the September 2021 quarter. This reduction in cash is in line with planned Operating and Investing activities necessary for the scheduled completion of the Bankable Feasibility Study by December 2022.

During the period, capital raised from the exercise of two million options by the Executive Chairman totalled \$110k. Finance transaction costs for the period totalled of \$22.7k with \$21.2k being paid to LDA Capital and \$1.5k to ASX for the issue of securities. Additional cash of \$532,382 was

received from the joint venture partner, Starlight Investment Company Pty Ltd during the quarter. The cash contribution paid represents the normal operating cash calls relative to the percentage ownership of the joint venture partner for the budget months July 2021 - November 2021.

Salaries and directors' fees paid during the quarter amount to \$83,750. 65% of the Executive Chairman salary is charged and capitalised with the Exploration Activity outlined at 2.1(d). 35% for the Executive Chairman and 100% for Directors' fees total \$39,063 for the quarter as disclosed at item 6.1 of the Appendix 5B.

Table 1: Quarterly summary of spending activities

	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Operating Activities		
1.2 (d) - Staff Costs	(58)	(145)
1.2 (e) - Administration Costs ¹	(271)	(1,704)
1.4 - Interest	-	1
Total Operating Activities	(329)	(1,848)

¹ Administration Costs YTD include 1.204 million for paid consultant liability

2. Investing Activities

2.1 (c) - Plant and Equipment	(10)	(37)
2.1 (d) - Exploration & Evaluation, made up of;		
- Salaries & Wages	(448)	(679)
- EIS & Approvals	(243)	(243)
- Resource Upgrade	(1,569)	(1,748)
- Project maintenance	(89)	(96)
Total Exploration & Evaluation	(2,349)	(2,766)
2.5 - Other		
Cash Call contributions made by Starlight Investment Company Pty Ltd for the period July 2021 to November 2021 as per the Bankable Feasibility Study approved budget.	532	532
Total Investing Activities	(1,827)	(2,271)

3. Financing Activities

3.1 - Proceeds from issue of equity securities ²	-	35,596
3.3 - Proceeds from exercise of options ³	110	110
3.4 - Transaction Costs ⁴	(23)	(2051)
Total Financing Activities	87	(33,655)

² The Company raised \$35,596,844 (before costs) through a fully underwritten private placement and an entitlements issue to shareholders.

³ Options issued to Bryan Granzien – 1,000,000 at an exercise price of 0.05c (50k) and 1,000,000 at an exercise price of 0.06c (60k).

⁴ LDA Capital - Legal Fee Payment, Put Option Agreement (21k). ASX Operations (2k). Transaction costs relating to previous quarter security issues total \$2,028 million.

Payments to related parties of the entity and their associates

Total Director wages and fees for the quarter is \$83,750. 65% of Bryan Granzien expense is charged and capitalised within the Joint Venture activities outlined at 2.1 (d). 35% remains at item 6.1 for Bryan Granzien and 100% for the director fees, totalling \$39,062.

Bryan Granzien Gross Wages	\$	21,875
Bryan Granzien Superannuation	\$	2,187
Paul Cholakos (Director Fee)	\$	7,500
Jon Parker (Director Fee)	\$	7,500
Total	\$	<u>39,062</u>

In relation to Listing Rule: 5.3.2 – There were no substantive mining production and development activities during the Quarter.



The statement of cash flows for the quarter and financial year to date are attached to this report at Appendix 5B.

Overview and outlook

We now have a cohesive and experienced Board, Management and consulting team in place with the necessary resources to pursue our prime objective to complete the BFS by the end of the year and clear the path of regulatory approvals required to develop and bring the Hawsons Iron Project into production in line with our timeline (below).

The company appointed an Advisory Committee of specialists to provide experienced and insightful strategic comment on the progress and quality of the Hawsons Iron Project BFS. For more detailed information refer to our ASX Announcement of 27 January 2022.

Site resource investigations, including completion of resource, geotechnical and hydrogeological drilling works and post drilling rehabilitation should be completed during the current quarter following mobilisation of additional rigs on double shifts and a re-prioritisation of the drilling program.

Currently, 64 drill holes have been approved and approvals for additional holes are being processed. Due to the softness of the orebody, the rigs are achieving 200m-250m per shift and drilling is progressing well.

Scheduled metallurgical testing work no longer requires 100Mt of sample material, so larger-diameter core drilling has been deferred for the time being.

The appointment of a Consultant for the Process Plant package, including plant, facilities and services will also progress.

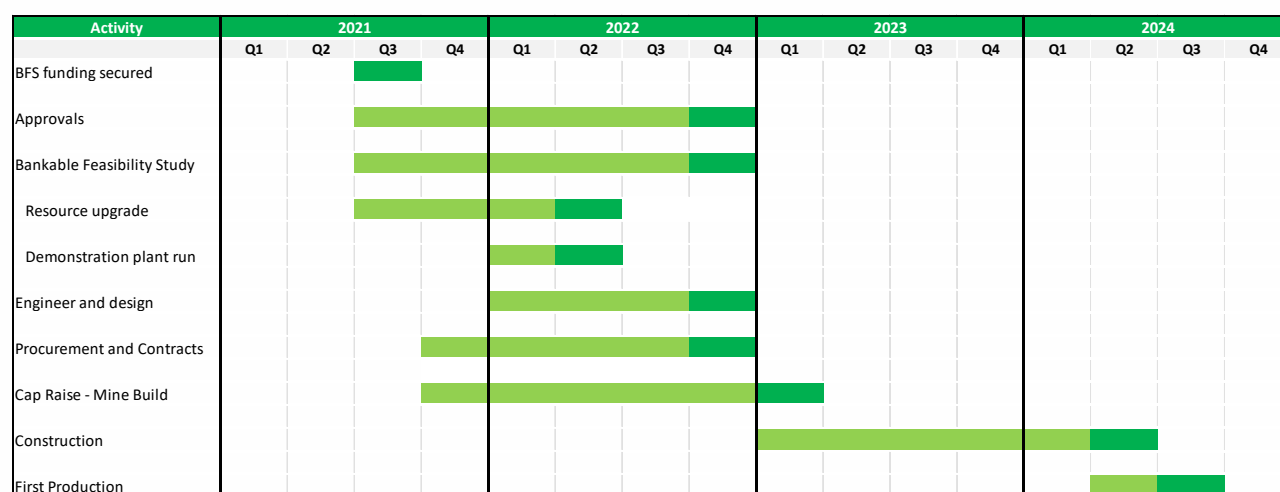
A final analysis of drilling results will provide improved confidence of indicated, inferred and measured resources to progress mine design.

The Mining Consultant package to design the mine will also proceed with potential engineering partners already identified.

All aspects of energy, power, water, transport, process, and tailings management are to be reassessed against current market conditions, given the emergence of new technologies, ESG considerations and decarbonisation strategies since the Preliminary Feasibility Study was completed in 2017.

The Project status has been recognised as a NSW State Significant Development. The Environmental Impact Study (EIS) will be progressed during the current quarter while the Secretary's Environmental Assessment Requirements (SEARs), which specify EIS issues to be addressed, will be updated. South Australian Government engagement initiated.

Meanwhile preliminary discussions with potential project financiers, including financial institutions, steel mills and commodity trading houses are continuing prior to completion of the BFS, which remains on schedule.



Hawsons Iron Ltd tenement schedule 31 December 2021

Licence	Notes	Name	Grant date	Expiry date	Equity	Units	Area – km2
EL6979	1,2	Redan	11/12/2007	11/12/2026	93.963%	62	180
EL7208	2	Burta	22/09/2008	22/09/2025	93.963%	100	290
EL7504	2	Little Peak	08/04/2010	08/04/2023	93.963%	14	41
MLA460	3,4	Hawsons Iron	Under application	Under application	93.963%	n/a	187

- 1) 1.5% NSR royalty to Perilya Broken Hill Pty Ltd.
- 2) JV Starlight Investment Company Pty Ltd. EL7504 renewal lodged.
- 3) MLA made on 18 October 2013. Tenement application subject to unspecified grant date and conditions.
- 4) Subject to the Hawsons Joint Venture with Starlight Investment Company Pty Ltd.

This report references Mineral Resource information released to the ASX on 19 October 2021 “Hawsons Iron - Mineral Resource Upgrade”. The company is not aware of any new information which would materially affect the outcome of the Mineral Resources reported 19 October 2021.

Release authorised by the Board

Corporate directory

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ACN: 095 117 981

Australian Securities Exchange Ltd

ASX Code: HIO Ordinary Shares

Share Registry

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Contact information

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Company Secretary & Chief Financial Officer
Gregory Khan
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Disclosure

The information in this report that relates to Exploration Results, Exploration Targets and Mineral Resources is based on information evaluated by Mr Simon Tear of H&S Consultants Pty Ltd who is a member of the Australian Institute of Mining and Metallurgy (MAusIMM) and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity 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”). Mr Tear consents to the inclusion in the report of the Mineral Resources in the form and context in which they appear.



Appendix 5B

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

Name of entity

HAWSONS IRON LIMITED

ABN

63 095 117 981

Quarter ended ("current quarter")

31 December 2021

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		
1.2 Payments for		
(a) exploration & evaluation		
(b) development		
(c) production		
(d) staff costs	(58)	(145)
(e) administration and corporate costs	(271)	(1,704)
1.3 Dividends received (see note 3)		
1.4 Interest received	-	1
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	(329)	(1,848)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) tenements		
(c) property, plant and equipment	(10)	(37)
(d) exploration & evaluation	(2,349)	(2,766)
(e) investments		
(f) other non-current assets		

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		
	(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) Starlight Investment Company Pty Ltd cash call contribution for July to Nov 21.	532	532
2.6	Net cash from / (used in) investing activities	(1,827)	(2,271)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	35,596
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options	110	110
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(23)	(2,051)
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	87	33,655

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	33,955	2,350
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(329)	(1,848)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,827)	(2,271)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	87	33,655

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	31,886	31,886

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	31,766	33,939
5.2	Call deposits Term deposits for office lease guarantee	120	16
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)	31,886	33,955

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	39
6.2	Aggregate amount of payments to related parties and their associates included in item 2	
<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>		

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. 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 (Put Option Agreement)	200,000	0
7.4	Total financing facilities	200,000	0
7.5	Unused financing facilities available at quarter end		200,000
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>A\$200 million equity financing Put Option Agreement with United States investment group LDA Capital Limited. The company may access up to A\$200m in equity capital over four years at its sole discretion. Hawsons Iron (HIO) will be entitled to flexibly draw down up to A\$200 million by issuing put options to LDA Capital over the duration of the four-year Agreement.</p> <p>The Company can draw down funds during the term of the Agreement by issuing ordinary shares of the Company (Shares) for subscription to LDA Capital. The Company may issue call notices to LDA Capital with each call notice being a put option on LDA Capital to subscribe for and pay for those Shares.</p> <p>The number of Shares subject to a call notice is limited to a maximum of 10 times the average daily number of the Company's Shares traded on the ASX during the 15-trading day period before its issue. The issue price of the capital call Shares will be 90% of the higher of the average VWAP of Shares in the 30-trading day period prior to the issue of the put option notice by HIO (subject to any applicable adjustments) and the minimum acceptable price (MAP) notified to LDA Capital by the Company upon exercise of the put option. The VWAP calculation is subject to adjustment as a result of certain events occurring including trading volumes falling below an agreed threshold level or a material adverse event occurring in relation to the Company.</p> <p>The Agreement includes unlisted share options under which HIO will issue 71,500,000 options to LDA Capital. The strike price of the options is 125% of the 90-day VWAP at the two-year anniversary of the issue of the options, or if the 90-day VWAP at the two-year anniversary of the issue of the options is at least \$0.55c, then \$0.70c. Each option has an exercise period of four years. Options exercised by LDA Capital will inject up to a further A\$50.05 million in equity capital into HIO.</p> <p>The Company has agreed to pay an Option Premium Fee (2%) to LDA Capital of A\$4 million payable within 12 months of the date of execution of the Agreement – 50% (A\$2 million) to be in cash and 50% in shares based on 90% of the average VWAP of Shares in the 90-trading day period preceding the 12-month anniversary date from signing of the Agreement. HIO will also cover LDA Capital legal costs capped at US\$25,000.</p>		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(329)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(2,349)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(2,678)
8.4	Cash and cash equivalents at quarter end (item 4.6)	31,886
8.5	Unused finance facilities available at quarter end (item 7.5)	200,000
8.6	Total available funding (item 8.4 + item 8.5)	231,886
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	86.59
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>		
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?	
	<div style="border: 1px solid black; padding: 5px; min-height: 40px;"> Answer: </div>	
8.8.2	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?	
	<div style="border: 1px solid black; padding: 5px; min-height: 40px;"> Answer: </div>	
8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	<div style="border: 1px solid black; padding: 5px; min-height: 40px;"> Answer: </div>	
<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>		

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:28th January 2022.....

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

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

- 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.