

29 July 2022

QUARTERLY ACTIVITIES REPORT to 30 June 2022

Blue Energy Limited (ASX: BLU, 'Blue Energy', 'Blue' or 'the Company') is pleased to report on activities during the quarter ended 30 June 2022 across its exploration acreage in Queensland and the Northern Territory, in which the Company's key gas and oil projects are located.

KEY HIGHLIGHTS

- Executed a drilling contract for the ATP 814 pilot well drilling program
- Procured the equipment and services and completed the civil works required to commence the ATP 814 pilot well drilling program
- Engaged independent reserve and resource certifier Netherland, Sewell and Associates, Inc (NSAI), of Dallas, Texas, to perform an updated assessment of the gas reserves and resources for Blue's 100% owned and operated Sapphire Block (PL 1034 application area)

Highlights post end of the quarter:

- Spudded the Sapphire 5V well in ATP 814, drilled to 850 metres total; depth, intersecting 44 metres of net coal. The rig has now moved to Sapphire 6V as the second well in the pilot well configuration.
- Upgraded gas resources and reserves for the Sapphire Block, including a 98% increase in 2C resources and a 17% increase in 3P gas reserves.
- Institutional and sophisticated investor placement raising \$20 million at \$0.062/share – to fast track Surat Basin (ATP854) appraisal drilling and North Bowen production Pilot drilling and testing

North Bowen drilling program (ATP 814): The North Bowen drilling program aims to convert existing Contingent Gas Resources to gas reserves from the existing inventory of resources situated in the PL 1034 area (Sapphire Block) of ATP 814P.

The PL 1034 area is immediately adjacent to the Moranbah Gas Project, a producing field operated by Arrow Energy (see Figure 1). The application for PL 1034 is currently with the Queensland Government for the issue of the Production Licence (PL). Blue Energy is 100% owner and operator of ATP 814P and the PL 1034 application area.

Blue is targeting multiple coal seams with its current drilling program with each lateral well (up to 4 laterals) to target 1000 metres in seam length for each separate coal seam before intersecting a separate vertical well (which is designed to be the water-producing well for the multiple lateral wells).

During the quarter, Blue executed the drilling contract, procured all equipment and services required for the drilling of both the vertical and lateral wells, and completed the civil works, including well pads and cellar installations, in readiness for the commencement of the natural gas pilot well appraisal drilling program in ATP 814 (PL 1034 – Sapphire).

Following a delay to operations from unseasonal heavy rainfall in the Moranbah area, the Sapphire 5V well in ATP 814 was spudded on 13 July 2022.

Gas reserves and resources upgrade: During the quarter Blue Energy engaged independent reserve and resource certifier NSAI to perform an updated assessment of the gas reserves and resources for Blue’s 100% owned and operated Sapphire Block (PL 1034 application area).

The updated reserves and resources for the Sapphire Block, both with significant increases, were announced on 14 July 2022:

- 2P and 3P gas reserves increased 13% and 17%, respectively, to 66.5 PJ and 253.2 PJ
- 1C, 2C and 3C Contingent Resource categories increased 134%, 98% and 15%, respectively, to 154.3 PJ, 213.9 PJ and 214.4 PJ
- 3P and 2C aggregate gas resource available also increased by 44%, to 467.1 PJ of recoverable gas.

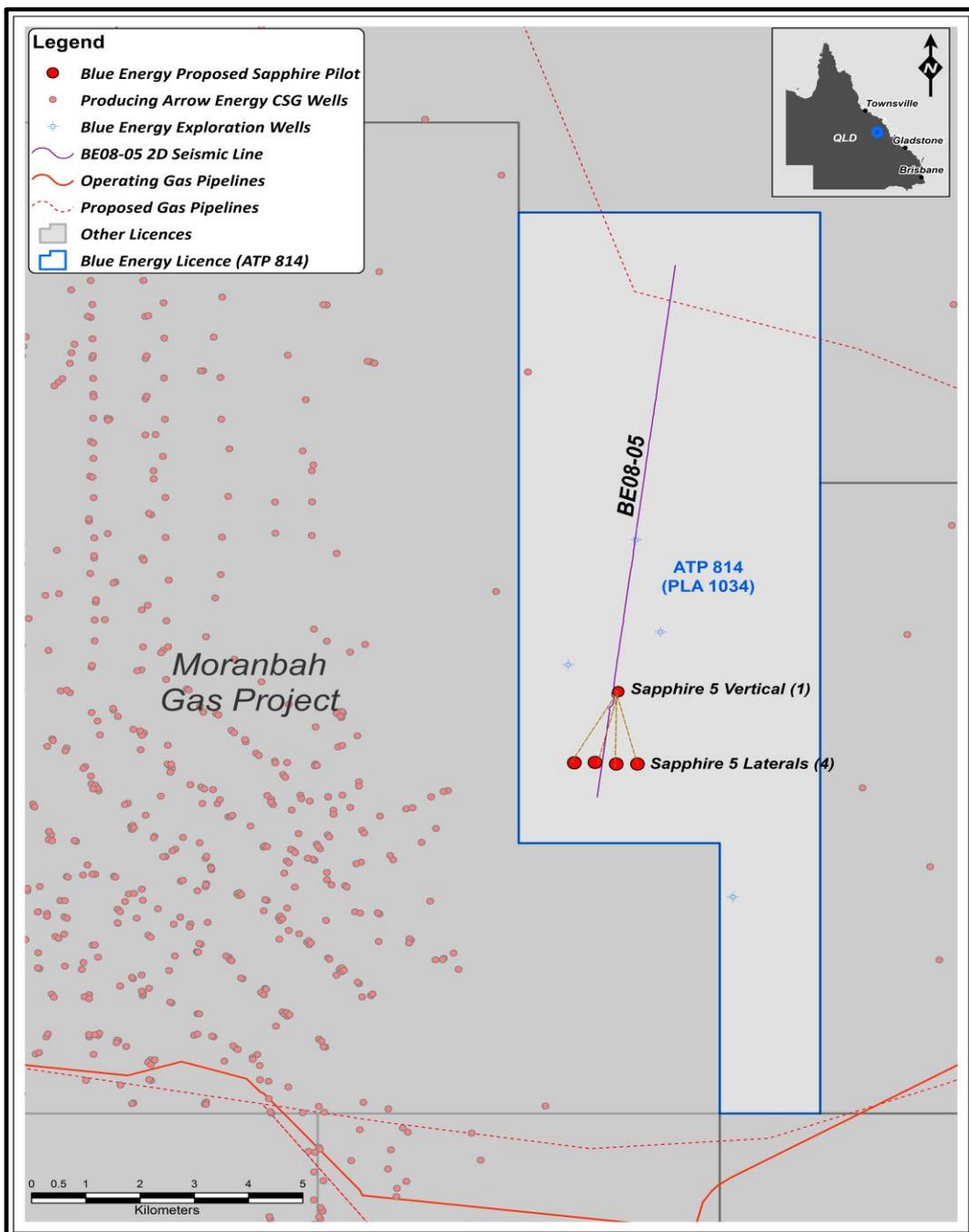


Figure 1: Location of Blue’s proposed well relative to existing adjacent CSG-producing wells in the Arrow Energy Operated Moranbah Gas Project – ATP 814, North Bowen Basin. Source: Blue Energy.

ACTIVITY IN PROVEN BASINS

Bowen Basin, Queensland: ATP 814 (Blue Energy 100% and Operator)

During the quarter, Blue completed the following preparatory activities for the North Bowen drilling program in ATP 814:

- finalised all landholder access agreements
- successfully undertook all cultural heritage clearances with Traditional Owners
- executed the drilling contract with Silver City Drilling for 1 vertical plus 4 lateral wells targeting the Moranbah, Fort Cooper and Rangal Coal Measures
- procured all long-lead items for drilling and production testing of the wells comprising the drilling program
- completed the civil works, including well pads and cellar installations, required to commence the drilling program.

Commencement of the drilling program, originally scheduled for late June, was delayed by unseasonal heavy rains. The Sapphire 5V well in ATP 814 was spudded on 13 July 2022 and reached total depth on 19 July 2022.

The object of the North Bowen drilling campaign is to build the gas reserve base (through the conversion of 3C resources to 2P reserves) and to test the productivity of the respective target Permian coal seams.

This drilling program has been formulated in conjunction with NSAI, Blue’s independent assessor and certifier for all of its current oil and gas tenements.

The aim of each lateral well in this program is to remain in seam for up to 1000 metres and intersect the vertical water drainage well which is also being drilled as one of the 5 wells in the drilling program. All wells are being drilled on or close to existing seismic control and all the laterals will be drilled from a single surface pad location (see Figure 2).

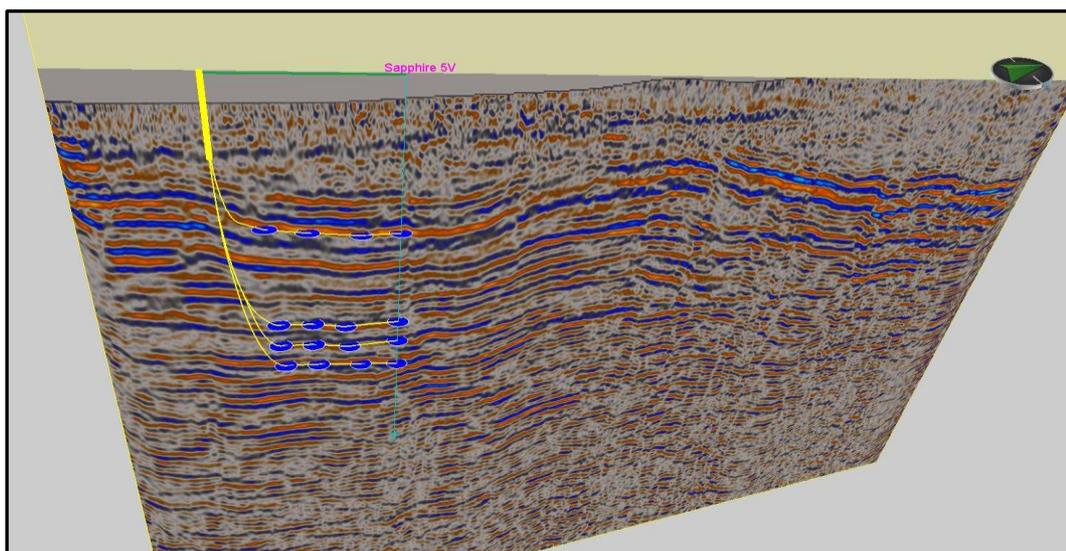


Figure 2: Blue Energy reprocessed seismic line BE08-05, showing proposed multiple lateral well paths intersecting proposed vertical well.

Source: Blue Energy.

This well pattern is also being assessed as a potential development concept for full field development for the PLA 1034 area, as depicted in Figures 3 & 4

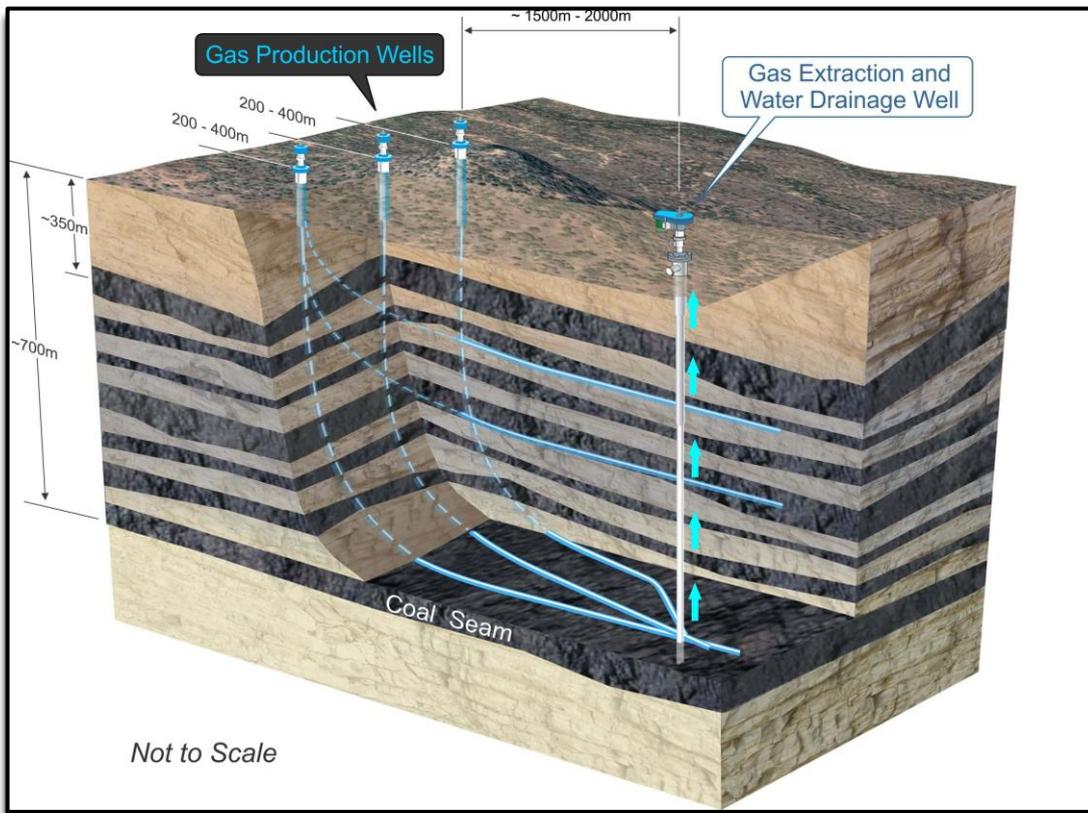


Figure 3: Schematic block diagram of well design concept for the development of the ATP 814P gas resources
Source: Blue Energy.

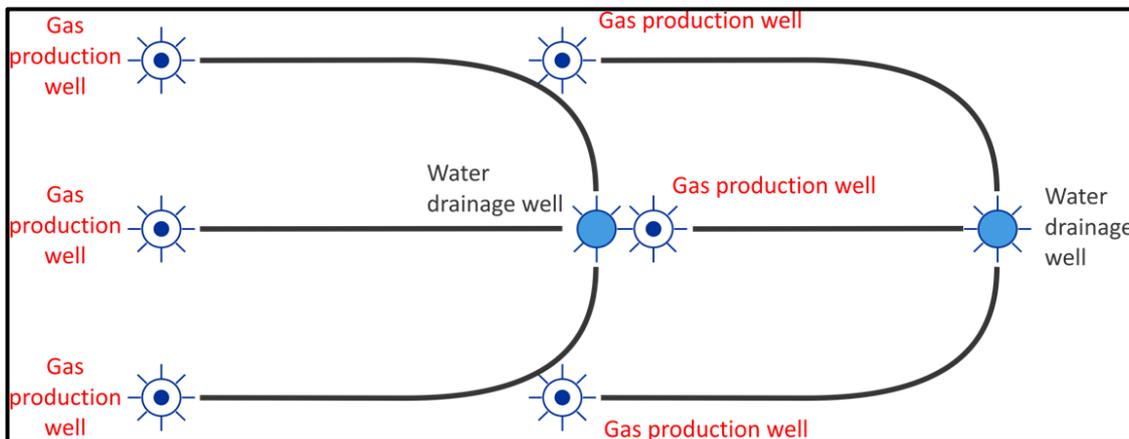


Figure 4: Plan view of notional development concept well patterns. Source: Blue Energy.

As already announced to the market, at 30 June 2022, ATP 814 had 2P reserves of 71 PJ⁺ and 3P reserves of 298 PJ⁺ (as independently certified by NSAI) allocated to it. Significant upside also exists within the constituent blocks comprising the permit, with a combined 3,248 PJ⁺ of Contingent Resources in all the area held by the Company's ATP 814 granted Potential Commercial Areas (PCAs) and PL applications, as estimated by NSAI. The Prospective Resources category in the ATP 814 permit of approximately 2,000 PJ⁺ of gas in place also has additional potential upside.

Blue Energy engaged NSAI to perform an updated assessment of the gas reserves and resources for Blue’s 100% owned and operated Sapphire Block (PL 1034 application area). The upgraded reserves and resources, both with significant increases, were announced on 14 July 2022:

- 2P and 3P gas reserves increased 13% and 17%, respectively, to 66.5 PJ and 253.2 PJ
- 1C, 2C and 3C Contingent Resource categories increased 134%, 98% and 15%, respectively, to 154.3 PJ, 213.9 PJ and 214.4 PJ
- 3P and 2C aggregate gas resource available also increased by 44% to 467.1 PJ of recoverable gas.

Surat Basin, Queensland: ATP 854 (Blue Energy 100% and Operator)

As previously advised to the market, Blue has an existing 398 PJ+ of Contingent Resources in ATP 854 as assessed by NSAI. Blue is now actively marketing this gas volume and looking at the potential for early development, given the permit’s location near the heart of the CSG–LNG gas supply precinct, and with gas pipeline infrastructure (PPL 30 and PL 118) linking Wallumbilla to Gladstone running directly through the permit. The ATP 854 gas resource thus has clear near-term potential for economic development (see Figure 5). A subsequent geological review (post gas resource upgrade) has identified pilot well drilling locations to accelerate this block, reflecting the enhanced materiality of this asset to the Company

Also as previously reported, Blue has lodged PCA applications over the permit to allow more rapid progression of this tenure toward assessment and development of these potentially economic gas resources. Blue continues to work with the Queensland Government to secure grant of these PCAs.

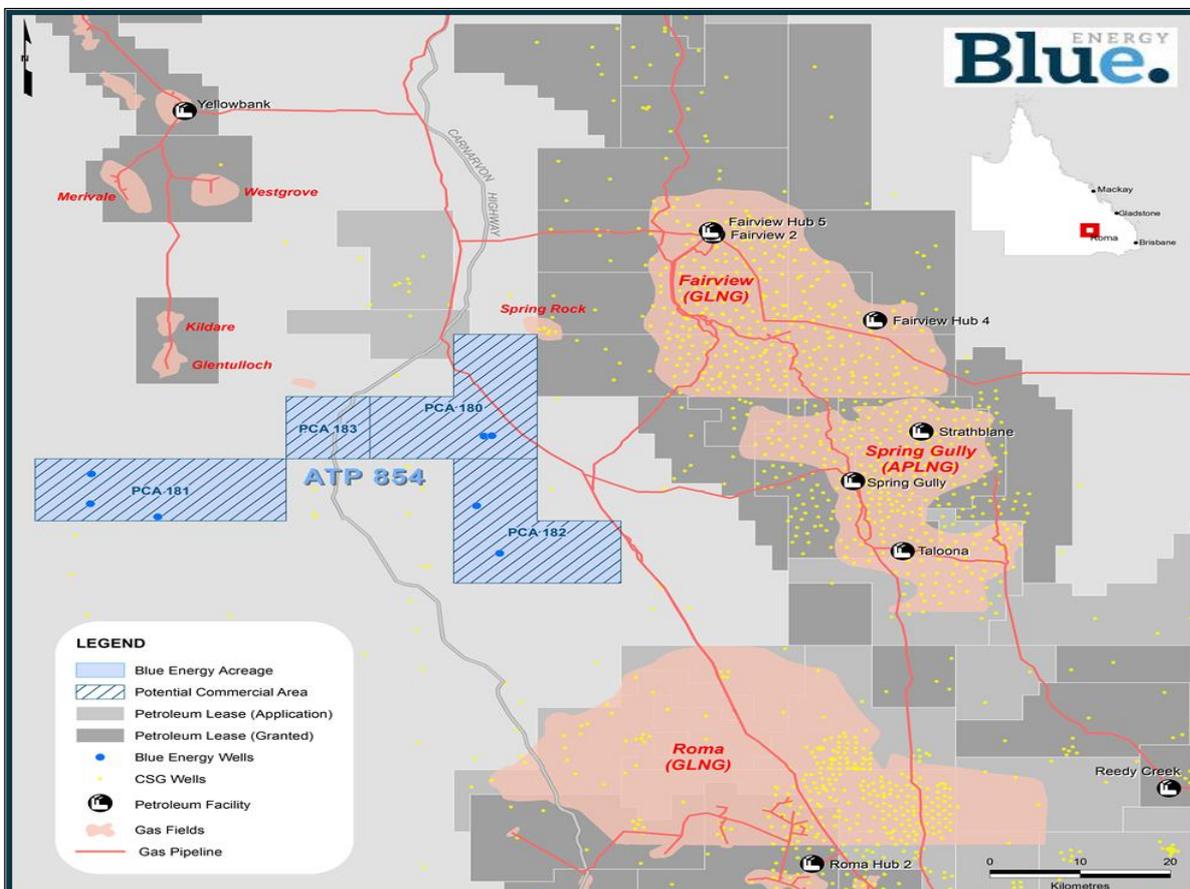


Figure 5: Location of ATP 854 in relation to existing pipeline infrastructure and major gas fields Source: Blue Energy.

ACTIVITY IN EMERGING BASINS

Greater McArthur Basin, Northern Territory:

(Various permits and equity levels, Blue Energy Operator: see Figure 6)

As announced previously, Blue has secured a further 12-month suspension (to 15 February 2023) of its work programs for the existing granted permits (EP 200, 205 and 207) in the Northern Territory (NT). Protracted, continued delays due to COVID-19 with respect to remote community access have severely impeded the work of specific regulatory bodies (Aboriginal Area Protection Authority cultural heritage certification for Blue’s proposed 2D seismic program) and for the approval processes required for on-ground activity. Regardless, Blue has now completed the on-ground ecological survey work required as part of the Environmental Management Plan lodgement for the contemplated regional seismic survey across the 3 granted tenements.

Blue continues to consult with the respective Aboriginal Land Councils, Traditional Owners, pastoral landowners, government departments, and other community stakeholders on the program together with the outstanding application areas as part of the process of establishing a community licence, which is required under the new NT government exploration activity approval process. Blue is in active discussions with specific landholders to agree on land access for the seismic survey.

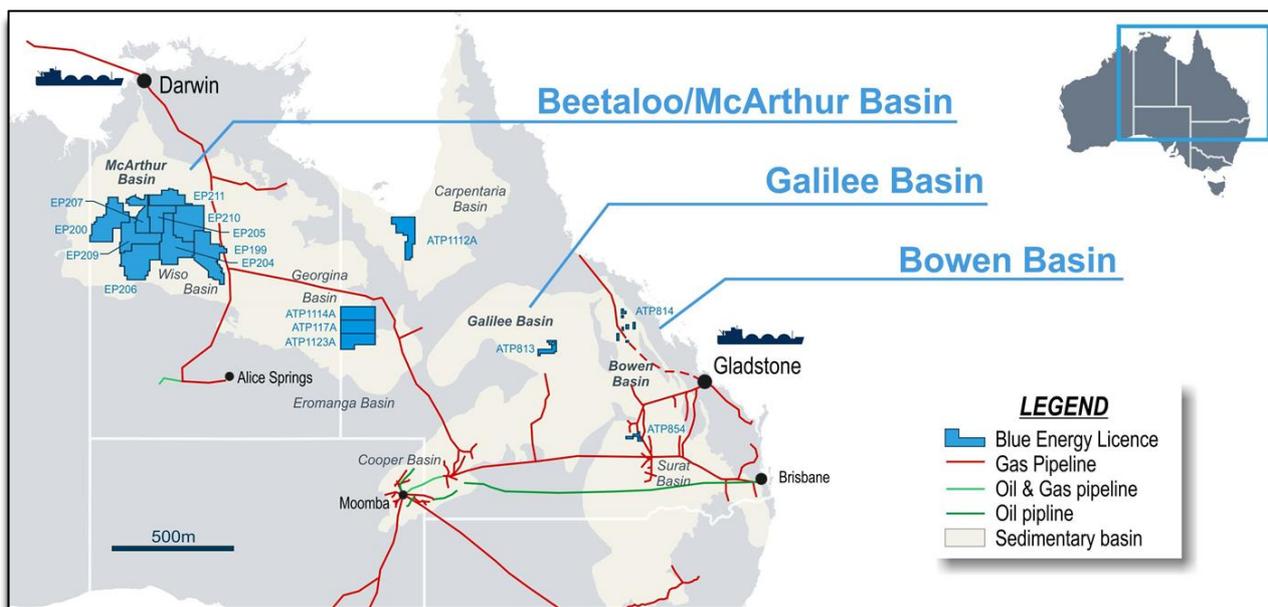


Figure 6: The Blue Energy exploration asset portfolio. Source: Blue Energy.

Galilee Basin, Queensland: ATP 813 (Blue Energy 100% and Operator)

Blue has an existing 838 PJ⁺ of Contingent Gas Resources in ATP 813 within the Betts Creek Coal Measures in this permit (as assessed by NSAI). As previously reported, NSAI has identified a further 1,956 PJ⁺⁺ of Prospective Resource (gas in place) in the permit. Blue has 9 separate but contiguous PCA applications over the permit currently with the Queensland Department of Resources for grant.

CORPORATE

Cash position

Cash on hand (at 30 June 2022) was A\$6.9m. The Company has nil debt.

Blue’s accompanying Appendix 5B (Quarterly Cashflow Report) includes an amount in Item 6.1 which constitutes Non-executive Directors’ fees for the quarter. The aggregate amount of payments to related parties and their associates for the June quarter (shown in Items 6.1 and 6.2 of the attached Quarterly Cashflow Report) relates to cash fees paid to all Directors (including salaries paid to the Executive Chairman and Managing Director).

RECENT DEVELOPMENTS AND OUTLOOK

Subsequent to the end of the quarter, the following significant events have occurred:

- **North Bowen drilling program:** Sapphire 5V was spudded on 14 July 2022, taking 3.5 days to reach total depth of 850m. Sapphire 5V intersected 45m of net coal across the Rangal, Fort Cooper and Moranbah Coal Measure target formations (20% thicker than expected), the same gas productive seams as at the adjacent Moranbah Gas Project, 2km west of Sapphire 5V. The rig is now on location at Sapphire 6V, the second vertical well in the program, which has reached a total depth of 900 metres and is presently running production casing.
- **Gas reserves and resources upgrade:** Blue Energy engaged independent reserve and resource certifier NSAI to perform an updated assessment of the gas reserves and resources for Blue’s 100% owned and operated Sapphire Block (PL 1034 application area). The upgraded reserves and resources were announced on 14 July 2022 with significant increases (see Table 1).

Table 1: Summary of reserve and resource changes for Sapphire Block (PJ of recoverable gas)+

| Permit | 1P (PJ) | | 2P (PJ) | | 3P (PJ) | | 1C (PJ) | | 2C (PJ) | | 3C (PJ) | |
|-------------------------------|---------|------|---------|------|---------|------|---------|------|---------|------|---------|------|
| | new | *old |
| ATP 814P, Sapphire Block, Qld | – | – | 66.5 | 59 | 253.2 | 216 | 154.3 | 66 | 213.9 | 108 | 214.4 | 186 |
| % change | – | – | +12.7% | – | +17.2% | – | +133.7% | – | +98.1% | – | +15.2% | – |

The results of Sapphire 5V and the significant upgrade of the Sapphire Block reserves and resources provide added encouragement to accelerate pilot drilling and production activities. Blue Energy has moved the drill rig a short distance to the next vertical pilot well location to be drilled (Sapphire 6V) to accelerate timing of the dewatering and production phases of the proposed Sapphire lateral wells.

Blue also plans to undertake updated assessments of the reserves and resources for the remaining 5 constituent blocks that comprise ATP 814 prior to 31 December 2022.

Capital Raising via institutional placement: Subsequent to the end of the quarter the Company undertook a capital raise via institutional placement which raised approximately \$20 million through the issue of 322,580,645 new shares at \$0.062 per share.

The Funds will be used to drill a second set of lateral Pilot wells in the Sapphire Block of ATP 814P plus additional core wells in other parts of ATP 814, a set of pilot wells in ATP 854 in the Surat Basin, and to fund the acquisition of 500 km of 2D regional seismic data in the Greater McArthur Basin of the Northern Territory

Table 2: Blue Energy gas reserves and resources (net) as at 30 June 2022⁺

| Permit | Block | Assessment Date | Announcement Date | 1P (PJ) | 1C (PJ) | 2P (PJ) | 2C (PJ) | 3P (PJ) | 3C (PJ) |
|-------------------|-----------|-----------------|-------------------|---------|------------|-----------|--------------|------------|--------------|
| ATP854P | | 22/01/2022 | 25/01/2022 | - | 90 | - | 194 | - | 398 |
| ATP813P | | 29/10/2014 | 30/10/2014 | - | - | - | 61 | - | 830 |
| ATP814P | Sapphire | 31/12/2021 | 26/02/2013 | - | 66 | 59 | 108 | 216 | 186 |
| ATP814P | Central | 21/12/2012 | 19/03/2013 | - | 50 | 12 | 99 | 75 | 306 |
| ATP814P | Monslatt | 31/12/2012 | 19/03/2013 | - | - | - | 619 | - | 2,054 |
| ATP814P | Lancewood | 30/09/2013 | 30/10/2013 | - | 5 | - | 23 | 1 | 435 |
| ATP814P | Hillalong | 27/02/2020 | 27/02/2020 | - | - | - | 182 | - | 237 |
| ATP814P | South | 30/06/2013 | 29/07/2013 | - | 15 | - | 27 | 6 | 30 |
| Total (PJ) | | | | - | 226 | 71 | 1,313 | 298 | 4,476 |

Table 3: Blue Energy gas reserves and resources (net) as at 14 July 2022 after resource and reserves upgrade for Sapphire Block (PL 1034 application area)⁺

| Permit | Block | Assessment Date | Announcement Date | 1P (PJ) | 1C (PJ) | 2P (PJ) | 2C (PJ) | 3P (PJ) | 3C (PJ) |
|-------------------|-----------|-----------------|-------------------|---------|------------|-----------|--------------|------------|--------------|
| ATP854P | | 22/01/2022 | 25/01/2022 | - | 90 | - | 194 | - | 398 |
| ATP813P | | 29/10/2014 | 30/10/2014 | - | - | - | 61 | - | 830 |
| ATP814P | Sapphire | 11/07/2022 | 11/07/2022 | - | 154 | 67 | 214 | 253 | 214 |
| ATP814P | Central | 21/12/2012 | 19/03/2013 | - | 50 | 12 | 99 | 75 | 306 |
| ATP814P | Monslatt | 31/12/2012 | 19/03/2013 | - | - | - | 619 | - | 2,054 |
| ATP814P | Lancewood | 30/09/2013 | 30/10/2013 | - | 5 | - | 23 | 1 | 435 |
| ATP814P | Hillalong | 27/02/2020 | 27/02/2020 | - | - | - | 182 | - | 237 |
| ATP814P | South | 30/06/2013 | 29/07/2013 | - | 15 | - | 27 | 6 | 30 |
| Total (PJ) | | | | - | 314 | 79 | 1,419 | 335 | 4,504 |

⁺Listing Rule 5.42 Disclosure

The estimates of Reserves and Contingent Resources noted throughout this Quarterly Activities Report have been provided by Mr John Hattner of Netherland, Sewell and Associates Inc (NSAI) and were originally reported in the Company's market announcements of 25 January 2012, 26 February 2013, 19 March 2013, 8 December 2015, 28 February 2019, 22 January 2022 and 14 July 2022. NSAI independently regularly reviews the Company's Reserves and Contingent Resources. Mr Hattner is a full-time employee of NSAI, has over 30 years of industry experience and 20 years of experience in reserve estimation, is a licensed geologist and a member of the Society of Petroleum Engineers (SPE), and has consented to the use of the information presented herein. The estimates in the reports by Mr Hattner have been prepared in accordance with the definitions and guidelines set forth in the 2018 Petroleum and Resource Management System (PRMS) approved by the SPE, utilising a deterministic methodology.

Blue Energy confirms that it is not aware of any new information or data that materially affects the information included in any of the announcements relating to ATP 813, 814 or 854 referred to in this report and that all of the material assumptions and technical parameters underpinning the estimates in the announcements continue to apply and have not materially changed.

⁺⁺ Listing Rule 5.28.2: 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 have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

Table 4: Queensland petroleum tenements

| Permit | Location | Interest Held Previous Quarter | Interest Held Current Quarter |
|----------|-------------------------|--------------------------------|-------------------------------|
| ATP813 | Galilee Basin (Qld) | 100% | 100% |
| ATP814 | Bowen Basin (Qld) | 100% | 100% |
| ATP854 | Surat Basin (Qld) | 100% | 100% |
| ATP1112A | Carpentaria Basin (Qld) | 100% | 100% |
| ATP1114A | Georgina Basin (Qld) | 100% | 100% |
| ATP1117A | Georgina Basin (Qld) | 100% | 100% |
| ATP1123A | Georgina Basin (Qld) | 100% | 100% |

Table 5: Northern Territory tenements

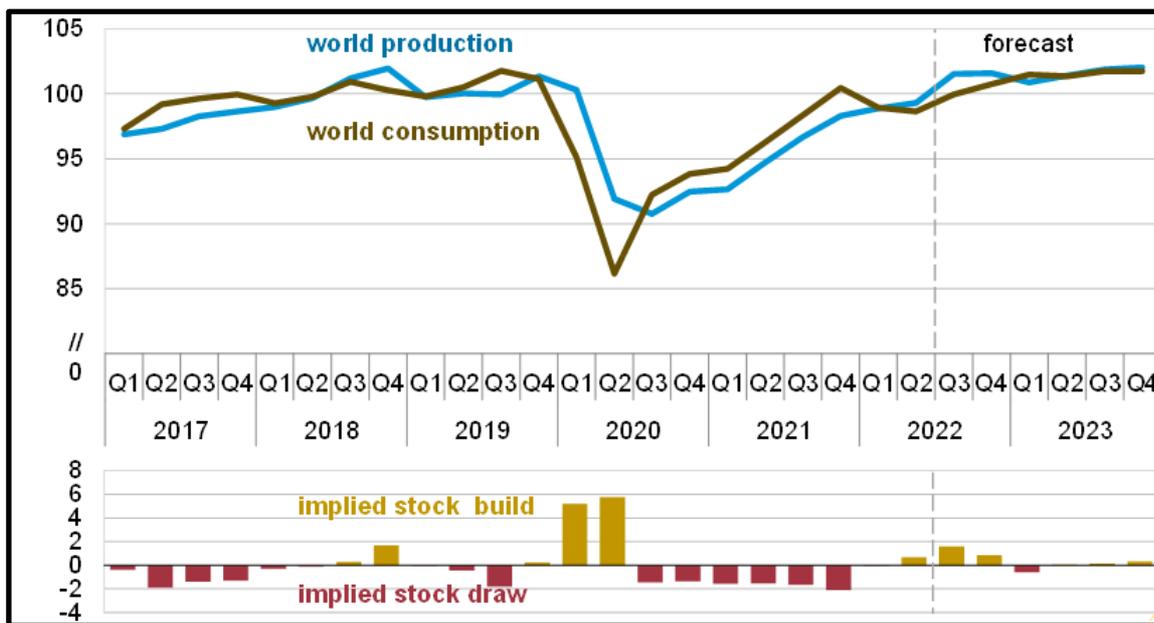
| *Permit | Location | Interest Held Previous Quarter | Interest Held Current Quarter | Comment |
|---------|-----------------|--------------------------------|-------------------------------|------------|
| EP199A* | Wiso Basin (NT) | 10% | 10% | See Note 1 |
| EP200* | Wiso Basin (NT) | 10% | 10% | See Note 1 |
| EP205* | Wiso Basin (NT) | 10% | 10% | See Note 1 |
| EP206A* | Wiso Basin (NT) | 10% | 10% | See Note 1 |
| EP207* | Wiso Basin (NT) | 10% | 10% | See Note 1 |
| EP208A* | Wiso Basin (NT) | 10% | 10% | See Note 1 |
| EP209A* | Wiso Basin (NT) | 10% | 10% | See Note 1 |
| EP210A* | Wiso Basin (NT) | 10% | 10% | See Note 1 |
| EP211A* | Wiso Basin (NT) | 10% | 10% | See Note 1 |

*Exploration blocks where Blue is Operator and farming into. Note 1: Subject to Farm-in Agreement which, upon completion of the seismic work program, will result in Blue becoming a 50% equity participant.

ENERGY COMMENTARY

The Russia-Ukraine conflict continues to disrupt global oil markets. Diversion of Russian oil volumes to China and India continues and demand has been generally dampened elsewhere with the prediction of lower economic activity in Europe and the US. Figure 7 shows steadily climbing global consumption following the depth of the pandemic lockdowns, as well as the use of inventory stock over the past 12–18 months to bolster lagging production capacity to meet demand. The EIA projects a return to supply–demand balance by 1Q2023.

Figure 7: World liquid fuels production and consumption balance – Global oil supply and demand curves as at July 2022 (million barrels per day)



Source: https://www.eia.gov/outlooks/steo/report/global_oil.php.

Equally important is how the war is affecting European gas supply from Russia, in particular the curtailment of significant gas volumes to Germany via the Nordstream 1 pipeline. Due to the supply shortfall, the German government is preparing to ration gas use as it attempts to shore up volumes from other sources before the winter. Storage volumes are well below the 5-year average for mid-summer, and Germany’s dependence on gas for home heating provides due cause for concern that Russian gas supplies may not be sufficient for Germany’s requirements in the coming winter.

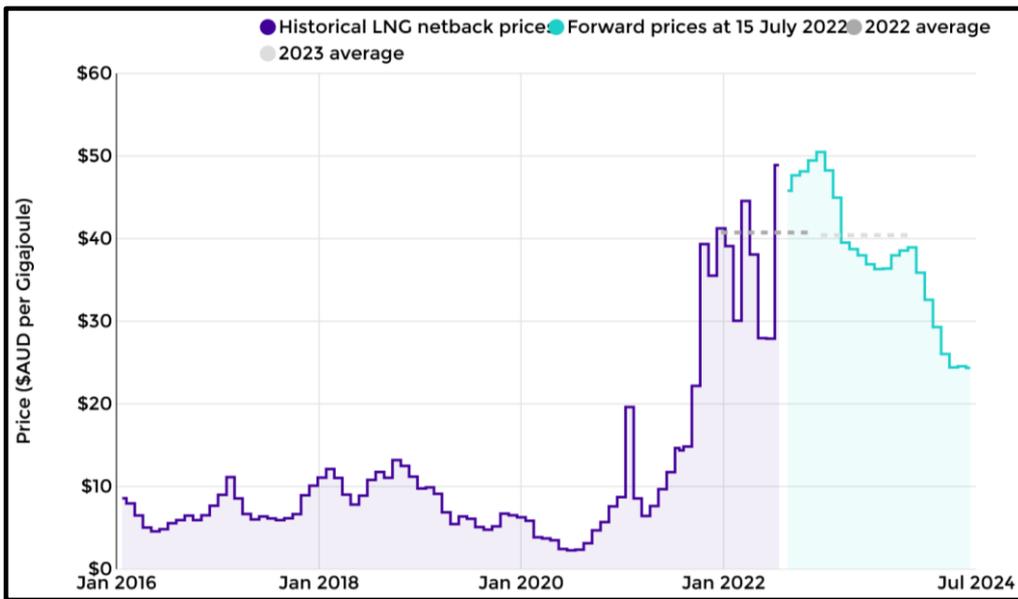
Nitrogen-based fertilizer, which is vital for improving crop yields, is produced from natural gas. The sanctions on Russia – a significant fertilizer producer and exporter – include fertilizer export. As a result, many farmers in the northern hemisphere cannot obtain (or afford) adequate fertilizer and are sowing crops without it. The results of this will play out in the coming months; average crop yields will likely fall significantly, which may lead to a significant shortfall in global food production.

Similar catalysts – a 20% reduction in crop yield, coupled with high energy prices – were behind the recent fall of the Sri Lankan Government, as the population protested about the state of the economy and food and fuel shortages. Similar scenes are also playing out in parts of central America.

The shortage of gas in the northern hemisphere is placing stress on global gas supplies, which for LNG-producing nations is pushing prices for spot LNG sales very high, as long as they have excess capacity to deliver spot cargoes. However, there is clearly limited capacity to meet this demand due to a global lack of investment in new capacity over the last 5-6 years (since the 2015-16 price crash).

This has squeezed domestic gas supplies in Australia, with LNG exporters on the east coast seeking to maximise export volumes. As a result, Wallumbilla daily spot prices have increased markedly to A\$40/GJ, converging to the ACCC’s LNG netback price calculation (see Figure 8). Some wholesale traders have withdrawn from the market because they were unable to financially cover their contracts. The collapse of a key wholesale gas market participant led the regulator to intervene in the market and set the price at \$40/GJ, leaving hundreds of customers without gas supply.

Figure 8: LNG netback price



Source: ACCC. Last updated 18 July 2022 (next update 1 August 2022).

The ACCC forecasts high netback prices will continue well into 2024, which would impact the Wallumbilla spot gas price through that period as well.

Figure 9: Wallumbilla firm benchmark gas price



Source: AEMO.

The situation was compounded in Victoria and NSW in May and June this year by a cold weather snap which put further pressure on gas supplies and accelerated withdrawals from the Iona storage facility, which was being emptied at the very high withdrawal rate of 217 TJ/day. This triggered the regulator to invoke the Gas Supply Guarantee, which saw Queensland gas producers divert gas flow toward the southern states to alleviate the shortfall. The pipeline flow dynamic is still from Queensland to the southern states, with gas being used to replenish the Iona storage facility.

The National Electricity Market (NEM) has also seen turmoil over recent weeks/months. Commenting at the Clean Energy Summit this month, AEMO CEO Daniel Westerman said:

The quarterly average spot price in the NEM was \$264 per megawatt-hour in the last quarter. That’s three times higher than the same time last year. And prices are still very high, with the average spot price in the NEM this month being \$424 per megawatt-hour.

In fact, at certain points, electricity prices throughout the east coast exceeded \$10,000/MWhr (see Figure 10). There ended up being not only a mandated price freeze in the gas market by the regulator, but also a \$300/MWhr price cap on the NEM, as several coal-generating plants went down for maintenance and the high gas price raised the cost of gas-fired electricity, with solar and wind generation both insufficient to meet demand. Figures 11 and 12 illustrate the equivalent price of gas at a given electricity price, assuming either large scale Combined Cycle Gas turbine generators or smaller 1 MW gas engine generating units. These figure show that for an electricity price of \$300/MWhr, the equivalent price of gas used in generation would be between \$30 and \$45/Gigajoule, whilst in the extreme case of \$12,000/MWhr electricity prices, the equivalent gas price would be between \$1,100 and \$1,600/ Gigajoule.

This is an instructive window on how a rapid higher-renewable-energy rollout into the grid with a corresponding rapid closure of base-load generation capacity, aimed at meeting the country’s commitment to a net-zero emission target, could play out. It is clear that the need for more gas supply for firming capacity in the electricity grid, as the aging coal fleet is shuttered, is critical if we are to maintain a stable grid for customers.

Figure 10: NEM prices for 17:35 hrs, 14 July 2022



Source: Pocket NEM, verified through AEMO

Figure 11: Comparative cost of gas at a given electricity price assuming 1MW generation units and larger combined cycle gas turbine generating options, up to \$300/MWhr electricity price

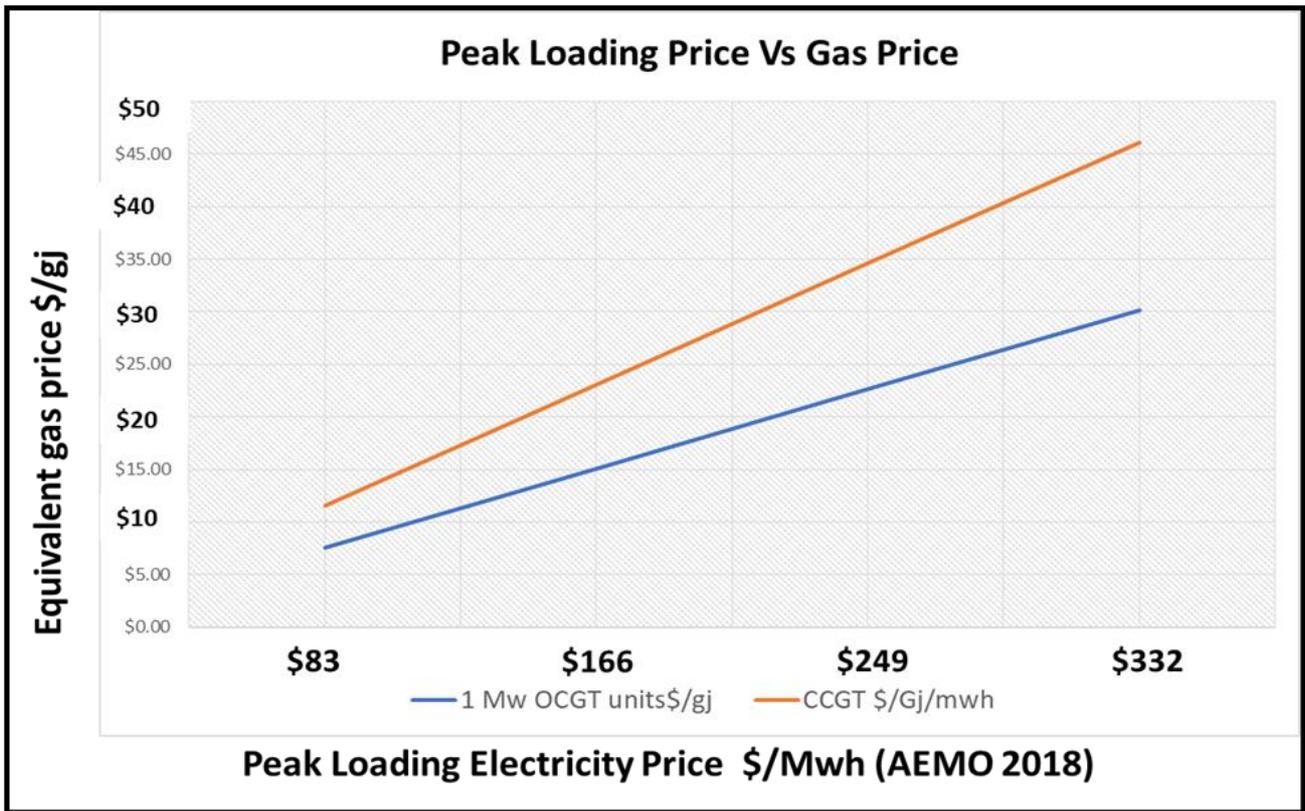
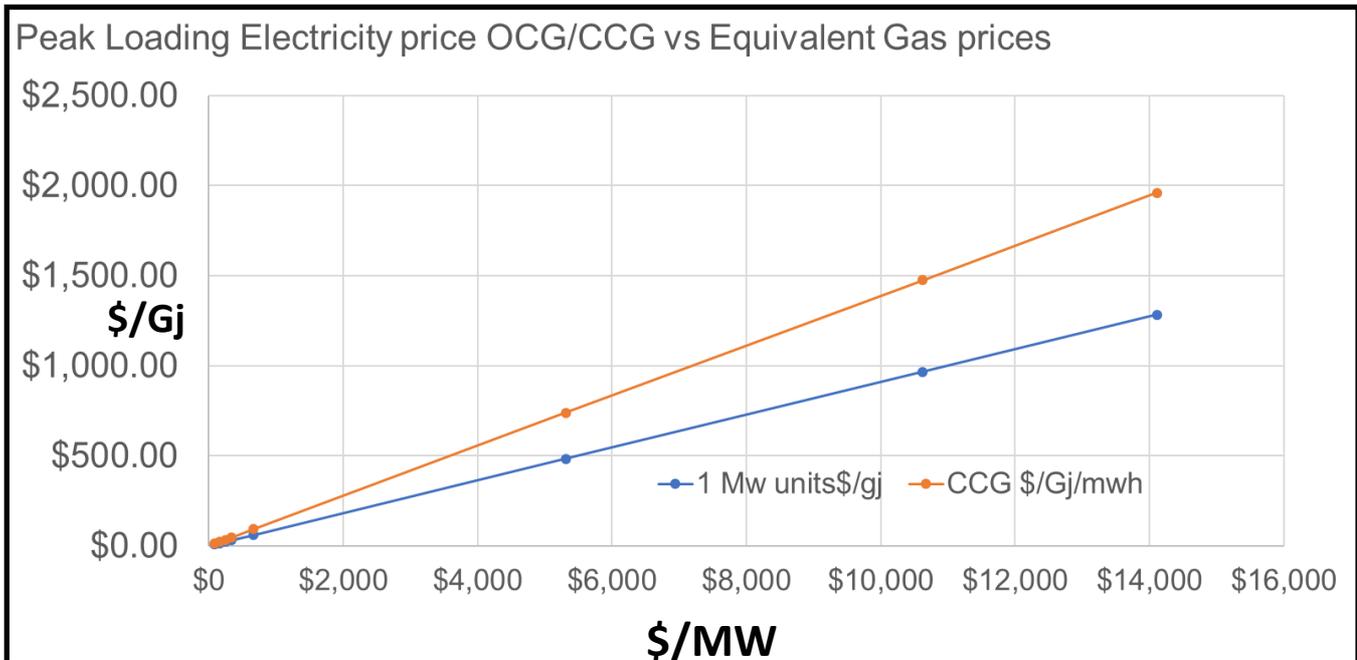


Figure 12: Comparative cost of gas at a given electricity price – up to \$15,000/MWhr



By Authority of the Board per:
John Phillips
Managing Director
Blue Energy Limited

Appendix 5B

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

Name of entity

Blue Energy Limited

ABN

14 054 800 378

Quarter ended ("current quarter")

30 June 2022

| 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 | - | (31) |
| (b) development | - | - |
| (c) production | - | - |
| (d) staff costs | (117) | (629) |
| (e) administration and corporate costs | (225) | (939) |
| 1.3 Dividends received (see note 3) | - | - |
| 1.4 Interest received | 5 | 12 |
| 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 | (337) | (1,587) |

| | | |
|--|---------|---------|
| 2. Cash flows from investing activities | | |
| 2.1 Payments to acquire or for: | | |
| (a) entities | - | - |
| (b) tenements | - | - |
| (c) property, plant and equipment | - | - |
| (d) exploration & evaluation | (1,150) | (3,048) |
| (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 (12 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) | - | - |
| 2.6 | Net cash from / (used in) investing activities | (1,150) | (3,048) |

| | | | |
|-------------|---|----------|--------------|
| 3. | Cash flows from financing activities | | |
| 3.1 | Proceeds from issues of equity securities (excluding convertible debt securities) | - | 9,967 |
| 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 | - | (433) |
| 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 | - | 9,534 |

| | | | |
|-----------|--|---------|---------|
| 4. | Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 | Cash and cash equivalents at beginning of period | 8,341 | 1,955 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (337) | (1,587) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | (1,150) | (3,048) |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | - | 9,534 |

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 | 6,854 | 6,854 |

| 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 | 3,945 | 8,083 |
| 5.2 | Call deposits | 2,909 | 258 |
| 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) | 6,854 | 8,341 |

| 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 | 105 |
| 6.2 | Aggregate amount of payments to related parties and their associates included in item 2 | 53 |

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 (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. | - | |
| Not applicable. | | |

| 8. Estimated cash available for future operating activities | \$A'000 |
|---|----------------|
| 8.1 Net cash from / (used in) operating activities (item 1.9) | (337) |
| 8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d)) | (1,150) |
| 8.3 Total relevant outgoings (item 8.1 + item 8.2) | (1,487) |
| 8.4 Cash and cash equivalents at quarter end (item 4.6) | 6,854 |
| 8.5 Unused finance facilities available at quarter end (item 7.5) | - |
| 8.6 Total available funding (item 8.4 + item 8.5) | 6,854 |
| 8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3) | 5 |
| <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? | |
| Answer: | |
| Not applicable | |
| 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? | |
| Answer: | |
| Not applicable | |

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

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?

Answer:

Not applicable

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.

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: **29 July 2022**



Authorised by: **Managing Director**
(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.