



ASX Announcement

Quarterly Activities Report

For the period ended 30 June 2022

Highlights:

- Preparations are progressed for the drilling of the Enterprise North 1 well in the Otway Basin
- 'In well bore' production enhancement work programmes progressed in the Surat
- Warroon #1 fracture re-stimulation successfully completed with gas flow rates achieving a high of close to 600 MSCF/D whilst still on clean up
- Myall Creek #2 Tinowon C workover program successfully completed which included a frac ready re-completion and perforation of the unproduced Tinowon C formation
- Emissions Reduction Partnership and Acreage divestment to PZE Limited
- Funding agreement reached with DGR Global
- New CEO and CFO appointed
- Quarterly sales revenue of \$4.7 million
- Cash balance of \$3.3 million
- Average normalised gas production of 4.2 TJ/day and 98.6 bbls/day of oil and condensate

Quarter 4, 2022 has once again been a very busy and exciting time for Armour Energy. The Chief Executive recruitment process was completed with Mr Christian Lange being appointed as Chief Executive Officer subsequent to the Quarter end. Mr Geoff Walker was appointed as Chief Financial Officer and Company Secretary. The Board believes, together with Michael Laurent as Chief Operating Officer, an executive team is now in place to develop and maximise value from the Company's portfolio of assets. The strong acreage positions held by the Company in the Cooper Basin in South Australia, the Otway Basin in Victoria, the McArthur Basin in the Northern Territory and its production assets in the Surat Basin in Queensland provide it with both strategic development and exploration diversity. Maturing these assets will help support the demands of the East Coast Australian Gas markets. A number of other corporate initiatives have and are being progressed with the aim of providing further funding and realising Shareholder value.

EXPLORATION ACTIVITIES

Surat Basin Exploration

Armour is advancing exploration programs including the completion of a 400km seismic survey and the drilling of up to 6 wells to test highly rated prospects and leads (including Riverside, Myall Creek North East and Riverslea) within Armour’s Surat basin production licenses. Armour is progressing a number of alternate proposals from third parties to fund these activities.

Otway Basin Exploration

Preparations are progressing for the drilling of the Enterprise North 1 well in the Otway Basin. The Enterprise North prospect is in Victorian tenement PEP 169 (Armour 51% interest and operator) and is on trend with the Enterprise 1 discovery (Beach Energy) and Minerva gas field (Cooper Energy). New transition seismic interpretation has identified the Enterprise North prospect as an analogue of the Enterprise Gas field recently discovered by Beach Energy in the adjacent tenement to PEP169. The Enterprise 1 discovery well flowed on test at 61 million standard cubic feet per day and 2P gas reserves of 161PJ have been assessed (Beach Energy Ltd - ASX release 15 February 2021). The Enterprise North 1 prospect is well located relative to gas pipeline, processing and storage infrastructure with two nearby gas processing plants with current excess capacity providing a potential near-term processing option to expedite commercialisation of a discovery.



Enterprise North Prospect

Cooper Basin Exploration

During the Quarter the Company continued to refine its charge modelling work for hydrocarbons in the Western Flank of the Cooper Basin. The charge modelling work identifies a likely extension of the Western Flank into the Company's licenses to the north (PEL 444) and southwest (PEL 112) of the known Western Flank. The Company continues to evaluate prospects in PEL 112 based on the charge modelling and 2D Seismic, and in PEL 444, based on the charge modelling and 3D Seismic.

DEVELOPMENT ACTIVITIES

Surat Basin Production Enhancement Programme

Armour has continued to develop a seriatim of "in-well-bore" opportunities planned to be executed over the second half of 2022 in its Queensland Surat assets. The programme is designed to target a range of initiatives to arrest premature decline, restore production and access bypassed pay zones. The programme includes the installation of automated intermitter units, connection of an existing stranded well bore, installation of well head oil pumping facilities, and recompletions including a well clean out, sucker rod pump install and recompletions targeting behind pipe bypassed pay. The culmination of this work programme is targeting a combined IP30 (initial production rate) uplift of 1.5 MMSCF/D and 10 BBLS/D of crude oil. Works commenced in July 2022.

The Emissions Reduction study being undertaken and funded by PZE Limited will evaluate emission reduction options within Armour's Surat Basin acreage. This study will also include evaluation of the commercial opportunity for the use of depleted reservoirs for carbon dioxide capture and storage, amongst other initiatives.

Warroon#1

Warroon #1 has been steadily recovering frac fluids via the gathering network. The well has now recovered the equivalent total volume of the injected stimulation fluids and gas rates have increased each month since the activity was executed, achieving a high of close to 600 MSCF/D. Currently rates have stabilised around 550 MSCF/D with condensate production at 14 BBLS/D. Armour continues to assess the well for further optimisation opportunities to improve production.

Myall Creek#2 (Tinowon-C)

Myall Creek #2 continues to flow gas to sales via the Myall Creek compressor station. The Tinowon C has previously been confirmed as a potentially suitable fracture stimulation target. Additional reservoir and petrophysical work is progressing, with data collected, to consider the viability of other intervals for stimulation, namely the Back Alley, Bandana and Basal Rewan formations. Both a single and multi-stage fracture stimulation project are under consideration. The intent is to complete the technical analysis shortly and, if the further fracture stimulation(s) are considered viable, undertake a stimulation program in late Quarter 1/early Quarter 2 2023 pending equipment availability. With the support of our funding partner, Armour will continue to be free carried through the next phase of activity.



Myall Creek-2

Future Stimulation Targets

This Quarter, the company continued to focus on “in well bore” opportunities to enhance production in both the Myall Creek and Parknook fields leveraging knowledge from historical seismic, stimulation and production data. Identifying bypassed pay and low risk fracture stimulation opportunities within our existing well stock continues to be the primary focus of our reservoir and development teams. Off the back of the successful Myall Creek #2 Tinowon-C perforation, the reservoir team is also looking for opportunities to simply “add perforations” and access previously bypassed hydrocarbon pay across our entire acreage.

Emissions Reduction Partnership and Acreage divestment to PZE Limited

Armour agreed binding terms with PZE Limited during the Quarter for an emissions reduction partnership and a divestment of working interests in the Waldegrave JV and Snake Creek East JV. Armour Energy held a 46.25% interest in the Waldegrave JV, comprising the petroleum licenses PL28, PL69, PL89, PL320W, PL12W. Armour Energy held a 25% interest in the Snake Creek East JV which comprises petroleum licenses PL 11 and PL11W. Armour and PZE have agreed to collaborate to evaluate emissions reduction options within the Armour Surat Basin acreage, with up to \$300,000 to be funded by PZE on a prefeasibility study.

PZE will acquire Armour's interest in the Waldegrave and Snake Creek East Projects for consideration valued at \$1.99 million, with the majority due in a milestone payment within 6 months. The transaction is subject to the satisfaction of various conditions including consents and approvals. The agreement also includes terms to toll, process and transport gas production through Armour's Kincora plant and pipeline to Wallumbilla. The Waldegrave JV and Snake Creek East JV were not part of Armour's priority development plans. The execution of the Sale & Purchase Deed with PZE, will enable Armour to save on holding costs associated with the licences as well as benefit from future tolling revenue, with PZE targeting to reinstate production through Armour's Kincora Processing plant.

Arresting Decline

The Company also continued to focus on arresting production decline via enhancement of our existing production wells utilising plunger lift and flow intermitting units. The ongoing optimisation of these wells ensures the maximum achievable gas recovery by lifting liquids that would otherwise inhibit gas flow. It also provides more efficient liquids recovery including produced water and condensates that go to sales. The company plans to install more intermitting units throughout Quarter 1 and 2 2023.

KEY PERFORMANCE METRICS – PRODUCTION, SALES & REALISED GAS PRICE

Key performance metrics	Q4 FY22	Q3 FY22	Q4 FY21	Qtr. on Qtr.	FY22 YTD
				Change	
Total production (PJe)	0.5	0.5	0.6	-	2.1
Total sales volume (PJe)	0.4	0.5	0.5	(20%)	2.0
Total sales revenue (\$ million)	4.7	4.1	4.4	15%	18.0
Average realised gas price (\$/GJ)	6.4	6.5	7.1	(2%)	7.8
Debt (\$ million)[1]	30.2	32.5	39.1	(7%)	30.2

FINANCIAL PERFORMANCE

Sales Revenue

This quarter's total sales revenues decreased by 13% to \$4.1 million due to natural decline of production.

\$ million	Q4 FY22	Q3 FY22	Q4 FY21	Qtr. on Qtr.	FY22 YTD
				Change	
Gas	2.2	2.8	3.0	(21%)	11.0
LPG	0.5	0.7	0.4	(29%)	2.5
Oil	0.3	0.1	0.2	200%	0.8
Condensate	1.7	0.5	0.8	240%	3.7
Total Sales Revenue	4.7	4.1	4.4	15%	18.0

Sales Volume & Average Realised Prices

Sales volumes were lower than the prior quarter for Gas, LPG & Oil due to lower production.

Realised weighted average pricing across all products was \$9.1/GJe, an increase on the prior quarter due to product mix.

	Q4 FY22	Q3 FY22	Q4 FY21	Qtr. on Qtr. Change	FY22 YTD
Volumes					
Gas (TJ)	379.3	433.1	483.5	(12%)	1,729.0
LPG (Tonnes)	472.8	685.4	906.0	(31%)	2,702.6
Oil (Bbl)	1,244.4	1,287.2	2,873.0	(3%)	5,585.5
Condensate (Bbl)	7,582.0	7,858.3	7,817.1	(4%)	29,238.4
Prices					
Sales Gas (\$/GJ)	6.4	6.5	7.1	(2%)	7.4
LPG (\$/tonne)	663.0	654.6	489.8	1%	673.7
Oil and Condensate (\$/Bbl)	159.2	134.0	89.4	19%	125.6
All products Weighted Average (\$/GJe)	10.3	7.9	7.5	30%	8.7

Capital Expenditure

Capital expenditure of \$1.5 million includes the ongoing costs of work programs and compliance costs across various permits such as rents and royalties.

\$ million	Q4 FY22	Q3 FY22	Q4 FY21	Qtr. on Qtr. Change	FY22 YTD
Exploration and Appraisal	1.2	0.7	1.8	71%	5.0
Development, Plant and Equipment	0.3	1.4	1.3	(79%)	2.9

Payments to Related Parties

There were no related party transactions for the purposes of 6.1 and 6.2 of the Appendix 5B for the quarter.

Payments made to related parties in previous periods relate to director fees, administrative overheads, charges for rent and IT expenses.

\$AUD millions	Q4 FY22	Q3 FY22	Q4 FY21	Qtr. on Qtr. Change	FY22 YTD
Director fees	-	0.05	-	(100%)	0.1
Capital raise management fees	-	-	-	-	-
Admin overheads	-	-	0.2	-	-

CORPORATE AND COMMERCIAL

Funding agreement

Armour negotiated during the Quarter a funding agreement with the Company's largest shareholder, DGR Global Ltd, for the provision of a \$4.5 million facility, which was entered into in July, to be drawn over the next three months. This funding is to be provided by way of a placement of redeemable exchangeable notes to be issued by Armour's subsidiary, McArthur NT Ltd. This funding will enable Armour to continue to optimize the value of its substantial asset base including pursuing several small production enhancement projects in the Surat area. Armour appreciates DGR Global's continued confidence in the company's ability to realise significant value from its diverse portfolio of opportunities.

Debt facilities

The Company made a \$2.2 million principal amortisation payment to the holders of the Company's Secured Amortising Notes (Secured Notes). The remaining face value of the Secured Notes outstanding following the principal and interest payment that was made on 29 June 2022 is now \$24,917,200 (original face value of the Secured Notes at the time of issue was \$55,000,000). An amendment agreement has been entered into extending the maturity date for the Tribeca Natural Resources Fund environmental bonding facility to 20 September 2022. Armour continues the process of making principal payments to Tribeca with the intent to repay the debt as a priority.

McArthur Oil & Gas Demerger and IPO

The Board has considered further revisions to the proposed demerger structure to ensure that acceptable commercial and taxation outcomes would be achieved. Recent feedback from the Australian Taxation Office has determined that income tax demerger relief is unlikely to be available in relation to the proposed McArthur demerger and IPO transaction.

For numerous reasons, the McArthur demerger and IPO transaction has not been progressed as swiftly as Armour initially envisaged. The Board, however, remains focussed on progressing a transaction to realise the value of this substantial asset as soon as the current geopolitical headwinds allow.

OTHER CORPORATE UPDATES

Armour is also continuing to pursue a number of other corporate initiatives with the aim of realising near term value from its portfolio of projects together with providing potential funding arrangements to enable further work programs to be undertaken to increase production output and undertake further exploration programs. Initiatives being progressed include potential farm-out arrangements, new gas sales agreements including pre-payment arrangements, commercial opportunities for the Newstead Gas Storage Facility and sale of non-core assets.

Appointment of New Chief Financial Officer and Company Secretary

Mr Geoff Walker was appointed in May as the Chief Financial Officer and Company Secretary.

Mr Walker is a chartered accountant and member of the Australian Institute of Company Directors. He has 30+ years of financial and commercial experience including previous Chief Financial Officer roles with ASX listed Eagers Automotive Limited, Range International Limited and Kina Petroleum Limited. Mr Walker brings extensive experience formulating and executing strategic initiatives while managing change and growth. Mr Walker is also currently CFO and Company Secretary for DGR Global Ltd, Armour's largest shareholder and through this role he already has a good working knowledge of Armour's business and strategic objectives.

Ms Natalie Climo of Boardroom Pty Limited has resigned as joint Company Secretary in July following the subsequent completion of the term of Boardroom's service agreement.

Investor Relations

A copy of recent presentations can be found at:

<https://www.armourenergy.com.au/corporate-presentation>

Authorised by the Board of Directors

On behalf of the Board

Geoff Walker

Company Secretary

Competent Persons Statement

Forward Looking Statement

This announcement may contain certain statements and projections provided by or on behalf of Armour Energy Limited (Armour) with respect to the anticipated future undertakings. These forward-looking statements reflect various assumptions by or on behalf of Armour. Accordingly, these statements are subject to significant business, economic and competitive uncertainties and contingencies associated with exploration and/or production which may be beyond the control of Armour which could cause actual results or trends to differ materially, including but not limited to price fluctuations, exploration results, resource estimation, environmental risks, physical risks, legislative and regulatory changes, political risks, project delay or advancement, ability to meet funding requirements, factors relating to property title, native title and aboriginal heritage issues, dependence on key personnel, share price volatility, approvals and cost estimates. Accordingly, there can be no assurance that such statements and projections will be realised.

Armour makes no representations as to the accuracy or completeness of any such statement of projections or that any forecasts will be achieved.

Additionally, Armour makes no representation or warranty, express or implied, in relation to, and no responsibility or liability (whether for negligence, under statute or otherwise) is or will be accepted by Armour or by any of their respective officers, directors, shareholders, partners, employees, or advisers as to or in relation to the accuracy or completeness of the information, statements, opinions or matters (express or implied) arising out of, contained in or derived from this presentation or any omission from this presentation or of any other written or oral information or opinions provided now or in the future to any interested party or its advisers. In furnishing this information, Armour undertakes no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise.

Nothing in this material should be construed as either an offer to sell or a solicitation of an offer to buy or sell securities. It does not include all available information and should not be used in isolation as a basis to invest in Armour Energy Limited.

Competent Persons Statement

Statements in this presentation as to gas and mineral resources has been compiled from data provided by Armour's Chief Operating Officer, Mr Michael Laurent. Mr Laurent's qualifications include being a professionally registered engineer in both Australia and Canada, has over 20 years of diverse oil and gas industry experience and has successfully held various senior managerial and GM positions. His career spans several sectors and includes expertise in reservoir, drilling, facilities, production and operations with particular emphasis on resource and business development. Experience is underpinned with strong strategic, commercial and technical acumen in both conventional and unconventional reservoirs. Prior to joining Armour Energy, Michael successfully held a variety of domestic and international technical leadership appointments. Most recently he worked for Santos where he was responsible for managing Cooper Basins oil and gas appraisal/development wells and field optimisation initiatives from inception through to approval and implementation. Mr Laurent has sufficient experience that is relevant to Armour's reserves and resources to qualify as a Reserves and Resources Evaluator as defined in the ASX Listing Rules. Mr Laurent has consented to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Appendix A

Interests in Tenements this Quarter

TYPE	LOCATION	OWNER	INTEREST
PL 14	Queensland	AE (SB) P/L	100.00%
PL 53	Queensland	AE (SB) P/L	100.00%
PL 70	Queensland	AE (SB) P/L	100.00%
PL 511	Queensland	AE (SB) P/L	100.00%
PL 227	Queensland	AE (SB) P/L	100.00%
PPL 3	Queensland	AE (SB) P/L	100.00%
PPL 20	Queensland	AE (SB) P/L	100.00%
PPL 63	Queensland	AE (SB) P/L	100.00%
PL 28	Queensland	AE (SB) P/L	46.25%
PL 69	Queensland	AE (SB) P/L	46.25%
PL 89	Queensland	AE (SB) P/L	46.25%
PL 320	Queensland	AE (SB) P/L	46.25%
PL 321 Waldegrave	Queensland	AE (SB) P/L	46.25%
PL 12	Queensland	AE (SB) P/L	46.25%
PL 321 Snake Creek	Queensland	AE (SB) P/L	25.00%
PL 21	Queensland	AE (SB) P/L	100.00%
PL 22	Queensland	AE (SB) P/L	100.00%
PL 27	Queensland	AE (SB) P/L	100.00%
PL 71	Queensland	AE (SB) P/L	100.00%
PL 264	Queensland	AE (SB) P/L	100.00%
PL 30	Queensland	AE (SB) P/L	90.00%
PL 512	Queensland	AE (SB) P/L	84.00%
PPL 22	Queensland	AE (SB) P/L	84.00%
ATP 647 (PCA 246)	Queensland	AE (SB) P/L	100.00%
Newstead Gas storage ¹	Queensland	AE (SB) P/L	100.00%
ATP 1190 (Weribone)	Queensland	AE (SB) P/L	50.64%
ATP 1190 (Bainbilla)	Queensland	AE (SB) P/L	24.75%
ATP 2029	Queensland	AE (SB) P/L	100.00%
ATP 2030	Queensland	AE (SB) P/L	100.00%
ATP 2032	Queensland	AE (SB) P/L	100.00%
ATP 2034	Queensland	AE (SB) P/L	100.00%
ATP 2035	Queensland	AE (SB) P/L	100.00%
ATP 2041	Queensland	AE (SB) P/L	100.00%
EP 171	Northern Territory	McArthur NT Pty Ltd	100.00%
EP 174	Northern Territory	McArthur NT Pty Ltd	100.00%
EP 176	Northern Territory	McArthur NT Pty Ltd	100.00%
EP 190	Northern Territory	McArthur NT Pty Ltd	100.00%
EP 191	Northern Territory	McArthur NT Pty Ltd	100.00%
EP 192	Northern Territory	McArthur NT Pty Ltd	100.00%
PEP 169 ²	Victoria	Armour Energy Ltd	51.00%
PEP 166 ²	Victoria	Armour Energy Ltd	25.00%
PRL 2 ²	Victoria	Armour Energy Ltd	15.00%
PEL 112	South Australia	Holloman Petroleum Pty Ltd	100.00%

TYPE	LOCATION	OWNER	INTEREST
PEL 444	South Australia	Holloman Petroleum Pty Ltd	100.00%
PRL 50	South Australia	Cordillo Energy Pty Ltd	100.00%
PRL 51	South Australia	Cordillo Energy Pty Ltd	100.00%
PRL 52	South Australia	Cordillo Energy Pty Ltd	100.00%
PRL 53	South Australia	Cordillo Energy Pty Ltd	100.00%
PRL 54	South Australia	Cordillo Energy Pty Ltd	100.00%
PRL 55	South Australia	Cordillo Energy Pty Ltd	100.00%
PRL 56	South Australia	Cordillo Energy Pty Ltd	100.00%
PRL 57	South Australia	Cordillo Energy Pty Ltd	100.00%
PRL 58	South Australia	Cordillo Energy Pty Ltd	100.00%
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PRL 70	South Australia	Cordillo Energy Pty Ltd	100.00%
PRL 71	South Australia	Cordillo Energy Pty Ltd	100.00%
PRL 72	South Australia	Cordillo Energy Pty Ltd	100.00%
PRL 74	South Australia	Cordillo Energy Pty Ltd	100.00%
PRL 75	South Australia	Cordillo Energy Pty Ltd	100.00%
PRL 124	South Australia	Cordillo Energy Pty Ltd	100.00%
PRL 248	South Australia	Cordillo Energy Pty Ltd	100.00%
Kanywataba Block	Uganda	AE (Uganda) SMC Ltd	16.82%

Notes:

1. The Newstead Storage Facility sits mostly within PL 27 and also straddles PL 14. It is a depleted underground natural gas reservoir that is currently utilised as a storage facility, i.e. it is used for injection and withdrawal of gas. The Newstead Storage Facility has a capacity of approximately 7.5PJ of gas
2. Joint Venture with Lakes Oil NL
3. PL28, PL69, PL89, PL320W, PL12W. PL11 and PL11W are subject to the PZE Limited divestment.

Glossary

AE (SB) P/L	Armour Energy (Surat Basin) Pty Ltd
AE (Uganda) SMC Ltd	Armour Energy (Uganda) SMC Ltd
ATP	Authority to Prospect
Bbl	Barrels - the standard unit of measurement for all oil and condensate production. One barrel = 159 litres or 35 imperial gallons
EL	Exploration Licence
EPP	Exploration Permit - Petroleum
FY	Financial Year
GJ	Gigajoule = 10 ⁹ joules
GJe	Gigajoule equivalent
LPG	Liquid petroleum gas
PCA	Potential Commercial Area
PEL	Petroleum Exploration Licence
PEP	Petroleum Exploration Permit
PJ	Petajoule
PJe	Petajoule equivalent
PL	Petroleum Lease
PPL	Petroleum Pipeline Licence
PRL	Petroleum Retention Lease/Licence
Q, Qtr	Quarter
TCF	Trillions of standard cubic feet of gas
TJ	Terajoule
TJ/day	Terajoules per day
YTD	Year to date

Appendix 5B

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

Name of entity

ARMOUR ENERGY LIMITED

ABN

60 141 198 414

Quarter ended ("current quarter")

30-Jun-22

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1.0 Cash flows from operating activities		
1.1 Receipts from customers	5,140	20,528
1.2 Payments for		
(a) exploration & evaluation (if expensed)	-	-
(b) development (capitalised)	-	(1,688)
(c) production (including COGS and Royalties)	(2,359)	(11,930)
(d) staff costs	(1,210)	(6,509)
(e) administration and corporate costs	(145)	(2,166)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	3
1.5 Interest and other costs of finance paid	(780)	(3,138)
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	646	(4,900)
2.0 Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(194)	(912)
(d) exploration & evaluation (if capitalised)	(319)	(2,975)
(e) investments	-	-
(f) other non-current assets	-	-
2.2 Proceeds from the disposal of:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	275
(d) investments	145	1,981
(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	(368)	(1,631)
3.0 Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	0	9,270
3.2 Proceeds from issue of convertible debt securities	3,000	6,180
3.3 Proceeds from exercise of options	-	-
3.4 Transaction costs related to issues of equity securities or convertible debt securities	-	(627)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	(2,200)	(8,800)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material) Proceeds from joint venture funding partners	(0)	1,405
3.1 Net cash from / (used in) financing activities	800	7,428

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
4.0 Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	2,176	2,358
4.2 Net cash from / (used in) operating activities (item 1.9 above)	646	(4,900)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(368)	(1,631)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	800	7,428
4.5 Effect of movement in exchange rates on cash held	-	-
4.6 Cash and cash equivalents at end of period	3,255	3,255

5.0 Reconciliation of cash and cash equivalents <i>at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts</i>	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	3,255	2,176
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details) - see below	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,255	2,176

Other

The Company holds additional restricted and not immediately available cash which has not been included above. Armour holds an Interest Reserve Deposit Account with a balance of \$1.7m at 30 June 2022. This is a requirement under the terms of the amendments of the Senior Secured Amortising Notes. Following successful retirement of debt, these funds would be returned to Armour. Armour also holds a further \$5.6m cash held on deposit as security for the Tribeca facility.

6.0 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	-
6.2 Aggregate amount of payments to related parties and their associates included in item 2	-

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

7.0 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	5,299	5,299
7.2 Credit standby arrangements	-	-
7.3 Other (Secured & Amortising Notes)	24,917	24,917
7.4 Total financing facilities	30,216	30,216

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.

Tribeca

26 July 2018 | \$6.8 million (Secured Environmental Bond Facility) | 9.0% per annum Coupon rate payable (quarterly in arrears). An agreement has been entered into to extend the loan maturity to 20 September 2022. At 30 June 2022, the Tribeca facility is \$5.3 million. Armour still holds \$5.6m cash on deposit as security for this facility.

Senior Secured Amortised Notes

29 March 2019 | \$55 million (Secured and Amortising Notes) | 8.75% per annum Fixed Interest payable (quarterly in arrears). Maturing on 29 March 2024. Principal repayments of \$2.2 million was made in the June Quarter, bringing the outstanding facility to \$24.9 million. A further \$1.7m is being held on trust in an Interest Reserve Account under the current requirements of the Notes.

8.0 Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	646
8.2 Capitalised exploration & evaluation (Item 2.1(d))	(319)
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	327
8.4 Cash and cash equivalents at quarter end (Item 4.6)	3,255
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	3,255
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	9.95

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:

N/A

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:

N/A

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:

N/A

Compliance statement

1.0 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2.0 This statement gives a true and fair view of the matters disclosed.

Date: **29-Jul-22**

Author: **The Board of Directors**

(Name of body or officer authorising release – see note 4)

Notes

1.0 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.

2.0 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.

3.0 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.

4.0 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".

5.0 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.