

Quarterly Activities Report Period Ended 30 September 2022

25 October 2022

- **Bellbird mineral resource estimate updated.**
 - Infill drilling completed for the Bellbird deposit which resulted in a 14% increase in contained copper metal to 129 kt; Resource tonnes up by 16%; Copper grade marginally lower at 1.93%
 - Maiden JORC Measured Resource reported with resource categories within Bellbird deposit's open pit mine design consisting of 85% Measured Resource, 14% Indicated and 1% Inferred.
- **Jervois project development activities: Feasibility Study update**
 - KGL is targeting completion of the Company's Feasibility Study for the Jervois Copper Project in Q4 2022 despite the current industry challenges and global uncertainties, incorporating the latest infill drilling results at Bellbird and an updated mine plan and process plant design
 - Certification of the JORC Reserve Statement is underway to support a mine life of 10+ years
 - Additional optimisation opportunities to those in the proposed 2022 Feasibility Study have been identified and will be pursued in 2023 as the project progresses along the development pathway in parallel with ongoing financing discussions
 - Mining, process plant and civil works contracts to be progressed in 2023
- **Resource development activities**
 - Given the long-term structural deficit in the copper market forecast to commence in 2025, growing the high-grade copper resource and mine life at Jervois is a key potential value driver for KGL shareholders and a priority for management with the goal of increasing the mine life.
 - Exploration of near mine extension recently produced outstanding results at Rockface with high-grade, thick Cu intersected 120 metres below previous drilling demonstrating potential to increase mine life
- **Corporate**
 - Current cash & cash equivalent as at 30 September was \$18.1M.
 - Monthly operating costs reduced as KGL refocuses on completing the Feasibility Study and a targeted drilling program
- **Copper market outlook remains bullish**

ASX Announcement

Quarterly Activities Report

Period Ended 30 September 2022

Bellbird Mineral Resource Estimate Updated

The Bellbird deposit, one of the three principal mineral resources (along with Reward and Rockface) which comprise the Jervois Project mineral resources, represents 27% of the current Mineral Resource Estimate with an average grade of 1.93%.

A 16-hole drilling program was carried out during June 2022. Drilling was focused primarily on improving the mineral resource of the Bellbird Hanging-wall lodes and generally continued on to intersect the Main lode. By virtue of the improved drill spacing and the resultant enhanced confidence in the geological model, a significant proportion of the mineral resource is now classified as Measured.

Strong Bellbird drilling results contributed to enhanced mineral resources:

- KJC540: 9.84m¹ @ 3.17% Cu, 25.0 g/t Ag from 109m
- KJC541: 6.84m @ 4.83% Cu, 28.0 g/t Ag from 116m
- KJC552: 7.09m @ 3.76% Cu, 21.3 g/t Ag from 51m
- KJC553: 12.91m @ 1.94% Cu, 11.4 g/t Ag from 72m

An upgraded Mineral Resource Estimate for the Jervois Project was announced of 23.8Mt containing 481.2Kt Copper at 2.02% Cu, 19.3M oz Silver 25.3 g/t Ag and 189.6k oz Gold 0.25 g/t Au.

KGL's Executive Chairman, Denis Wood said

"We completed the RC infill drilling, assaying and resource estimation program at Bellbird in July, the aim of which was to improve the confidence in the Resource. The outcome is that there is now a contained copper Resource at Bellbird in the Measured category – the first Measured Resource for the project. This is an excellent outcome from the project and is also significant as mining in the current optimised mine plan starts with the Bellbird open cut. In fact, the Resource that is now in the Bellbird Open-cut mine plan is 85% in the Measured category."

Jervois Project Development Activities

As the world continues to grapple with the effects of the global pandemic, strong growth, labour shortages, ongoing supply chain uncertainties, rising interest rates and energy prices and the war in Ukraine, domestic and international cost pressures are impacting negatively on project development timelines and delivery outcomes globally. As mentioned previously, these uncertainties of future costings have created some issues and delays in finalising the Feasibility Study.

Despite the current industry challenges and global uncertainties, KGL is making significant progress in optimising key Feasibility Study inputs to be able to deliver a Feasibility Study in Q4 2022 with the goal of reducing the impact of industry wide cost inflation by driving capital and operational efficiencies whilst achieving a minimum 10-year mine life.

Mining, process plant and civil works contracts to be progressed in 2023 in parallel with ongoing financing discussions.

¹ All thicknesses are Estimated True Thickness unless otherwise specified

ASX Announcement

Quarterly Activities Report

Period Ended 30 September 2022



Resource Development Activities

Independent of the Jervois project development activities, KGL continues to work on identifying opportunities to grow the high-grade copper resource at Jervois to expand the existing mine life. As part of the broader exploration program, KGL will be prioritising the resources and reserves within the known mineral deposits and in prospective parts of the Jervois tenements with the goal of increasing the mine life.

During the quarter, KGL announced exciting results at its Rockface deposit with a high-grade and thick intercept, located 120 metres down dip from previous drilling results.

KJCD556 was drilled to validate the DHEM conductor below the two previously deepest Rockface intersections. KJCD556 intersected the Rockface North lode in a position predicted by the DHEM modelling. The hole drilled a 12.38m (estimated true thickness) zone of massive, semi-massive and stringer sulphides comprised mainly of chalcopyrite (copper-iron-sulphide) and pyrite (iron-sulphide). Assays revealed a strong copper-silver-gold intersection in KJCD556 summarised as follows:

- **12.38m² @ 2.60% Cu**, 23.8 g/t Ag, 0.34 g/t Au from 978.26m including
- **8.74m @ 3.20% Cu**, 29.7 g/t Ag, 0.42 g/t Au from 978.26m including
- **5.75m @ 3.86% Cu**, 34.4 g/t Ag, 0.51 g/t Au from 978.26m including
- **4.70m @ 4.26% Cu**, 35.3 g/t Ag, 0.59 g/t Au from 979.41m

Drillhole KJCD556 confirms extension of the high-grade zone and suggests that the strong conductors continue and remain open at depth. The result reaffirms the validity of DHEM as an effective discovery methodology which will be used to prioritise resource drilling in multiple locations across the Jervois tenements.

Executive Chairman Denis Wood commented, “The impressive results of KJCD556 confirm the DHEM modelling and demonstrates that the Rockface system may extend at least 120 metres below previous drilling; and potentially goes much deeper.

“This could be significant for the long-term future of Jervois. The demonstrated potential to extend the mine life of the Rockface underground is clear in Figure 1, which shows the offset position of KJCD556 from the PFS Rockface 6-year mine plan.”

Assays were received during the quarter for the 23-hole drilling program, which included, in addition to the 16 infill drill holes at Bellbird, testing brownfields targets within and nearby the Reward Deposit, at Jervois. Drilling was carried out to test 4 target areas: Reward Gap and East Lodes; Reward Marshall Deeps; Reward South (including Reward Silver) and Reward North.

² All thicknesses are Estimated True Thickness unless otherwise specified

ASX Announcement

Quarterly Activities Report

Period Ended 30 September 2022

Highlights include:

- Significant copper intersection from Reward East (FW) Lode:
 - KJCD533: **11.21m³ @ 1.71% Cu**, 20.3 g/t Ag from 329.7m
 - and: **1.62m @ 4.86% Cu**, 67.2 g/t Ag from 348.14m
- Two holes were drilled to test the depth potential of the Marshall Lode at Reward. The deepest hole, KJCD529 yielded the best results. The first mineralised interval corresponds with the downwards projection of the Marshall Lode:
 - KJCD529: **4.59m @ 1.02% Cu**, 8.8 g/t Ag, 0.07 g/t Au from 704.9m
- The hole continued deeper to discover 2 new zones of mineralization, with better grade, to the east of Marshall:
 - KJCD529: **3.65m @ 1.55% Cu**, 17.7 g/t Ag, 0.11 g/t Au from 750.5m
 - And: **4.42m @ 2.21% Cu**, 19.9 g/t Ag, 0.14 g/t Au from 763.2m
- Reward (Marshall) Lode deep potential enhanced – remains open at depth:

KGL Executive Chairman Denis Wood commented: “The potential at depth for additional mineralisation at >2% copper and at minable thicknesses is clearly demonstrated by the drilling at Marshall Deeps, at the southern end of Reward and at Rockface.”

A continuation of the exploration drilling program for potential near mine extensions and preparation for Downhole-Electromagnetic (DHEM) surveys is planned for the fourth quarter of 2022.

³ All thicknesses are Estimated True Thickness unless otherwise specified

ASX Announcement Quarterly Activities Report Period Ended 30 September 2022

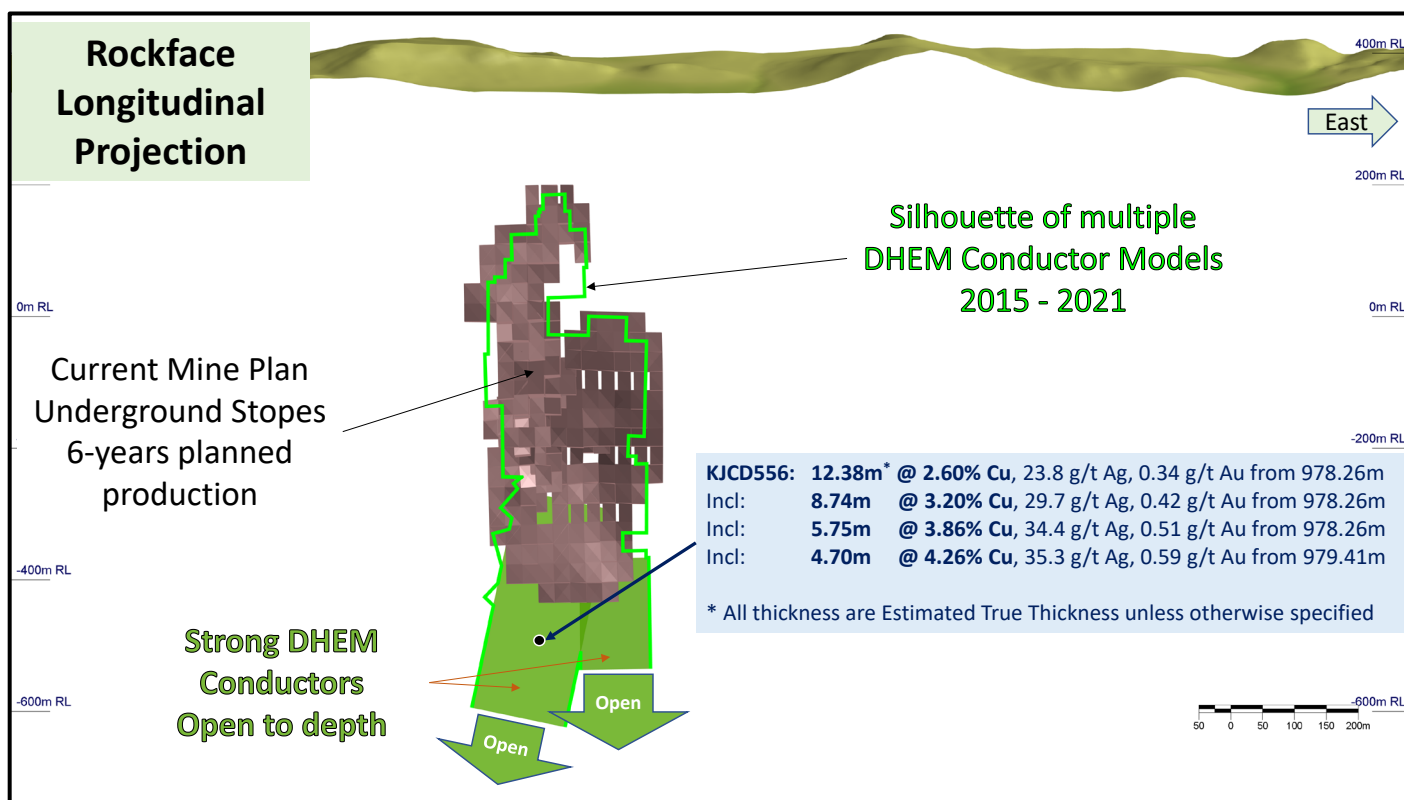


Figure 1: Rockface Deposit, Longitudinal projection showing the pierce point of KJCD556 corresponding with the strong copper intersection. Importantly the DHEM model indicates no lower bound to the Rockface North mineralisation. Note the close correspondence between the perimeter of the DHEM modelling (green outline) and the current 6-year underground mine plan (brown panels=planned stopes)

Corporate

Current cash & cash equivalent as at 30 September was \$18.1M. Monthly operating costs have been reduced as KGL refocuses on completing the Feasibility Study and targeted infill and exploratory drilling.

KGL Executive Chairman Denis Wood commented: "I'm pleased with the progress we've made on the Feasibility Study with a small team of experienced industry professionals. We can already see the tangible benefits in terms of their input on optimisation strategies to achieve current and potential future capital and operational efficiencies as the industry faces an inflationary cost environment. KGL will continue to add to its operational capabilities as the project proceeds along the development pathway."

Copper Market

Whilst in the first half of 2022 copper and other base metal commodities prices have dropped back off recent all-time highs, a long-term structural deficit in the copper market is forecast to commence in 2025 driven by global decarbonisation targets for achieving net zero emissions by 2050.

ASX Announcement

Quarterly Activities Report

Period Ended 30 September 2022



Wood Mackenzie recently published an article titled “**The drive for decarbonization**”, suggesting that demand for copper will more than double by 2050 under their accelerated energy transition 1.5 degree scenario ([AET-1.5](#)) with copper consumption (including direct scrap use) growing from 28.8 Mt in 2020 to 68.5 Mt by 2050, representing a growth rate of 2.9% pa, with electric vehicles and the grid key demand drivers in addition to traditional demand growth.

In a more detailed white paper published in October 2022⁴, Wood Mackenzie noted that the likelihood of delivering the copper required to meet future demand shifts from challenging in our base-case assessment of the energy transition on its current trajectory (average global warming of between 2.2°C and 2.4°C* by 2050) to improbable in our AET-1.5 scenario.

Wood Mackenzie suggest, that “to meet zero-carbon targets, the mining industry would have to deliver new projects at a frequency and consistent level of financing never previously accomplished. This pathway would result in:

- The need for 9.7 Mt of mine supply over the next decade from projects that have yet to be sanctioned. To date, a shortfall of this magnitude has never been overcome within a decade. This supply gap contrasts with 6.5 Mt under our base-case climate trajectory.
- More than US\$23 billion of investment a year in new projects, 64% higher than the average annual spend over the last 30 years.
- A growing market deficit, exacerbated by the sharp increase in refined demand growth. This will underpin a copper price rally to more than US\$11,000/t (about US\$5.00/lb) within five years.

A recent study by S&P Global seeking to quantify the copper requirements of **Net-Zero emissions by 2050** on the basis that power and automotive applications will have to be deployed **at scale by 2035** forecasts an **acceleration** of refined copper demand (excluding direct scrap use by semi-fabricators) doubling from **25 Mt in 2020** to about **50 Mt by 2035** representing an annual growth rate of 4.6% as growing demand for renewable energy, electricity infrastructure and electric vehicles increases alongside global carbon reduction targets, “an expansion that current trends or projects in the feasibility stage of development are incapable of meeting”.

Goldman Sachs is forecasting the largest deficit ever in the copper market by the middle of this decade, saying that the severe imbalances building up in the market may not be resolvable at current price levels. Copper will be crucial in achieving decarbonisation and replacing oil with renewable energy sources, and right now, the market is facing a supply crunch that could boost the price by 100% by 2025 from the current price of US\$7719.24 a metric tonne (October 24, 2022).

A recent study by Goldman Sachs of 50 projects that will account for most new supply over the next five years found that the price needed to bring new projects online had risen by 30% in the past four years because of higher costs and required returns and delays. They state that the average incentive price – the amount required to generate a 15% return – now stands at US\$9,000 a metric ton. But the price needed to bring on enough copper to meet future demand is projected at US\$13,000.

⁴ Red metal, green demand Copper’s critical role in achieving net zero. Horizons, October 2022. Wood Mackenzie.

ASX Announcement

Quarterly Activities Report

Period Ended 30 September 2022



According to GS, “copper does possess a clear structural bull story, which we continue to see defined by peak mine supply in 2024, and sequential record-sized copper deficits starting from 2025, all from a starting point of near record low inventories. With no increment in supply investment to start to provide support at the mine level, the ongoing sell-off will have only reinforced that restraint. Whilst that does not matter to spot conditions today, from mid-2023 onwards this will clearly have far greater weight, as the market starts to discount a much tighter and open-ended phase in supply ahead. This is why we retain our bullish price forecasts for 2024 (\$14,000/t) and 2025 (\$15,000/t)”.

Goldman Sachs also note that given mining companies hesitancy to invest in growth, the copper price will likely need to soar even higher to change that. KGL’s Executive Chairman Denis Wood commented:

“Copper is critical to the green energy transition and forecast record-sized deficits starting from 2025 are likely to result in a significantly stronger copper price in the not too distant future. Despite the challenging near-term environment, KGL with a fully licensed high-grade copper project at Jervois is well positioned to benefit from the expected long term structural deficit in supply from 2025 with the focus on a dual pronged strategy of delivering a Feasibility Study for the Jervois project and growing the value of the high-grade resource at the Jervois copper hub.”

This announcement has been approved for release by the Directors of KGL Resources Limited.

ASX Announcement

Quarterly Activities Report

Period Ended 30 September 2022

Tenements

Tenement Number	Location	Beneficial Holding
ML 30180	Jervois Project, Northern Territory	100%
ML 30182	Jervois Project, Northern Territory	100%
ML 30829	Jervois Project, Northern Territory	100%
EL 25429	Jervois Project, Northern Territory	100%
EL 30242	Mt Cornish, Northern Territory	100%
EL 28340	Yambah, Northern Territory	100%
EL 28271	Yambah, Northern Territory	100%
EL 28082	Unca Creek, Northern Territory	100%
ML 32277	Lucy Creek Borefield, Northern Territory	100%

Mining Tenements Acquired/Granted and Disposed during the quarter*	Location	Beneficial Holding
Nil		

Tenements subject to farm-in or farm-out agreements	Location	Beneficial Holding
Nil		

Tenements subject to farm-in or farm-out agreements acquired or disposed of during the quarter	Location	Beneficial Holding
Nil		

Related Party Payments

As reported in the quarterly cash flow report part 6.1, amounts paid to related parties of \$52k consist of directors' fees and expenses for the quarter. As reported in the quarterly cashflow report part 6.2, amounts paid to Mr Gerard of \$50k consist of fees payable for services provided to finalising the feasibility study.

ASX Announcement Quarterly Activities Report Period Ended 30 September 2022

Competent Person Statement

The Jervois Resources information were first released to the market on 14/09/2022 and complies with JORC 2012. The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Resource	Resource		Material	Grade			Metal		
	Area	Category	Mt	Copper (%)	Silver (g/t)	Gold (g/t)	Copper (kt)	Silver (Moz)	Gold (koz)
Open Cut Potential > 0.5 % Cu	Reward	Indicated	3.84	1.80	39.4	0.31	69.06	4.86	38.2
		Inferred	0.65	0.92	9.2	0.07	5.95	0.19	1.5
	Bellbird	Measured	1.23	2.53	15.1	0.14	31.18	0.60	5.6
		Indicated	1.26	1.45	9.1	0.17	18.23	0.37	6.8
		Inferred	1.02	1.24	10.6	0.12	12.67	0.35	4.0
	Sub Total		8.00	1.71	24.8	0.22	137.09	6.37	56.1
Underground Potential > 1 % Cu	Reward	Indicated	4.78	2.12	42.6	0.45	101.61	6.55	69.2
		Inferred	4.32	1.56	19.6	0.20	67.29	2.72	27.8
	Bellbird	Indicated	0.33	2.33	19.8	0.14	7.78	0.21	1.5
		Inferred	2.84	2.09	12.3	0.11	59.15	1.12	9.7
	Rockface	Indicated	2.80	3.37	21.4	0.23	94.31	1.93	21.1
		Inferred	0.73	1.92	19.0	0.18	13.97	0.45	4.2
	Sub Total		15.80	2.18	25.5	0.26	344.11	12.98	133.5
	Total		23.80	2.02	25.3	0.25	481.20	19.34	189.6

* Due to rounding to appropriate significant figures, minor discrepancies may occur, tonnages are dry metric tonnes

The following drill holes were originally reported on the date indicated and using the JORC code specified in the table. Results reported under JORC 2004 have not been updated to comply with JORC 2012 on the basis that the information has not materially changed since it was last reported.

Hole		Date originally Reported	JORC Reported Under
KJCD	556	27/09/2022	2012
KJCD	533	28/07/2022	2012
KJCD	529	28/07/2022	2012
KJCD	552	14/09/2022	2012
KJCD	553	14/09/2022	2012
KJCD	540	14/09/2022	2012
KJCD	541	14/09/2022	2012

Forward Looking statements

- This presentation includes certain forward-looking statements. The words "forecast", "estimate", "like", "anticipate", "project", "opinion", "should", "could", "may", "target" and other similar expressions are intended to identify forward looking statements. All statements, other than statements of historical fact, included herein, including without limitation, statements regarding forecast cash flows and potential mineralisation, resources and reserves, exploration results and future expansion plans and development objectives of KGL are forward-looking statements that involve various risks and uncertainties. Although every effort has been made to verify such forward-looking statements, there can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. You should therefore not place undue reliance on such forward-looking statements.
- Statements regarding plans with respect to the Company's mineral properties may contain forward looking statements. Statements in relation to future matters can only be made where the Company has a reasonable basis for making those statements.

Appendix 5B

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

Name of entity

KGL Resources Limited

ABN

52 082 658 080

Quarter ended ("current quarter")

30 September 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers – GST receipts	334	334
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(171)	(171)
(e) administration and corporate costs	(797)	(797)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	32	32
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(602)	(602)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(65)	(65)
(d) exploration & evaluation	(4,334)	(4,334)
(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 (3 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 – payment of security deposits	-	-
2.6	Net cash from / (used in) investing activities	(4,399)	(4,399)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(76)	(76)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings – lease payments	(82)	(82)
3.7	Transaction costs related to loans and borrowings – lease interest	(5)	(5)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	(163)	(163)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	23,271	23,271
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(602)	(602)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(4,399)	(4,399)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(163)	(163)

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 (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	18,107	18,107

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	2,103	3,816
5.2	Call deposits	16,004	19,455
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)	18,107	23,271

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	52
6.2	Aggregate amount of payments to related parties and their associates included in item 2	50

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	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 (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.		
N/a		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(602)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(4,334)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(4,936)
8.4 Cash and cash equivalents at quarter end (item 4.6)	18,107
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	18,107
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	3.7
<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: N/A	
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: N/A	

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: N/A

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: 25 October 2022.....

Authorised by: Kylie Anderson on behalf of the Board

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

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its Managing Director 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.