



ASX Release: 29 July 2020



ABN 12 124 960 523

## Quarterly Activities Report for the period ended 30 June 2020

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Rex Minerals Ltd (Rex or the Company) is now the sum of two parts. The Hillside Copper-Gold Project (Hillside) in South Australia and the Hog Ranch Gold Property (Hog Ranch) in Nevada USA.

Copper and gold, in two excellent jurisdictions – both forward looking assets, both asset classes to own and get set in, in these times.

This quarter has seen the culmination of years of work, consistent with our strategy and outlook. We achieved quite a number of significant milestones, including:

### Gold – Hog Ranch

- The announcement of 1.4Moz in Mineral Resource at Hog Ranch.
- Announcement of the Bells Scoping Study, an early start-up open pit mine at Hog Ranch, with an AISC cost of US\$902/oz at \$1,550/oz gold price. At today's gold spot price, that is about a US\$1,000/oz margin.
- Identified targets that outline a much larger new gold trend than originally anticipated, leading to Rex significantly adding to our land package.
- New drilling at Hog Ranch has commenced.

### Copper-Gold – Hillside

- The South Australian Government has approved the Company's Program for Environment Protection and Rehabilitation (PEPR). This is a major strategic step forward in the development of this flagship asset.
- Announcement of the feasibility study costing update for Hillside. The range of returns for this Project, with C1 cost estimates of US\$1.38/lb, at various copper prices are genuinely attractive.

Both of our projects are in great neighbourhoods and both are in the right commodities at the right time. Copper and gold prices are strong. Gold this week hit a new all-time high and copper has cemented its place as the commodity of future demand as the world races further into electrification.

If there is any truth in the saying, the trend is your friend, then the trend in gold and copper is up. We believe the investment planets are aligning – look forward to next quarter.

**Richard Laufmann, CEO**

## HOG RANCH PROPERTY – NEVADA, USA

The Company announced an updated Mineral Resource at Hog Ranch. For full details, see Rex's ASX announcement of 12 May 2020. Highlights of the announcement included:

- The May 2020 update increased the Mineral Resource to 97.6Mt @ 0.45g/t gold (Au) for 1.4Mozs
- 69% increase in ounces compared to the Maiden Mineral Resource reported in September 2019
- Hog Ranch is emerging as an exciting regional opportunity, in which Rex has already identified four mineral deposits. These are:
  - The Krista Project (Inferred) 68.5Mt @ 0.40g/t Au for 890koz (12 May 2020)
  - Airport and Cameco deposits (Inferred) 4.7Mt @ 0.70g/t Au for 100koz (12 May 2020)
  - Bells Oxide (Inferred) 15.7Mt @ 0.5g/t for 240koz (29 January 2020)
  - Bells Oxide (Indicated) 8.7Mt @ 0.63g/t for 180koz (29 January 2020).

This represents an all-in incredibly low discovery cost at Hog Ranch of US\$0.87/oz of gold.

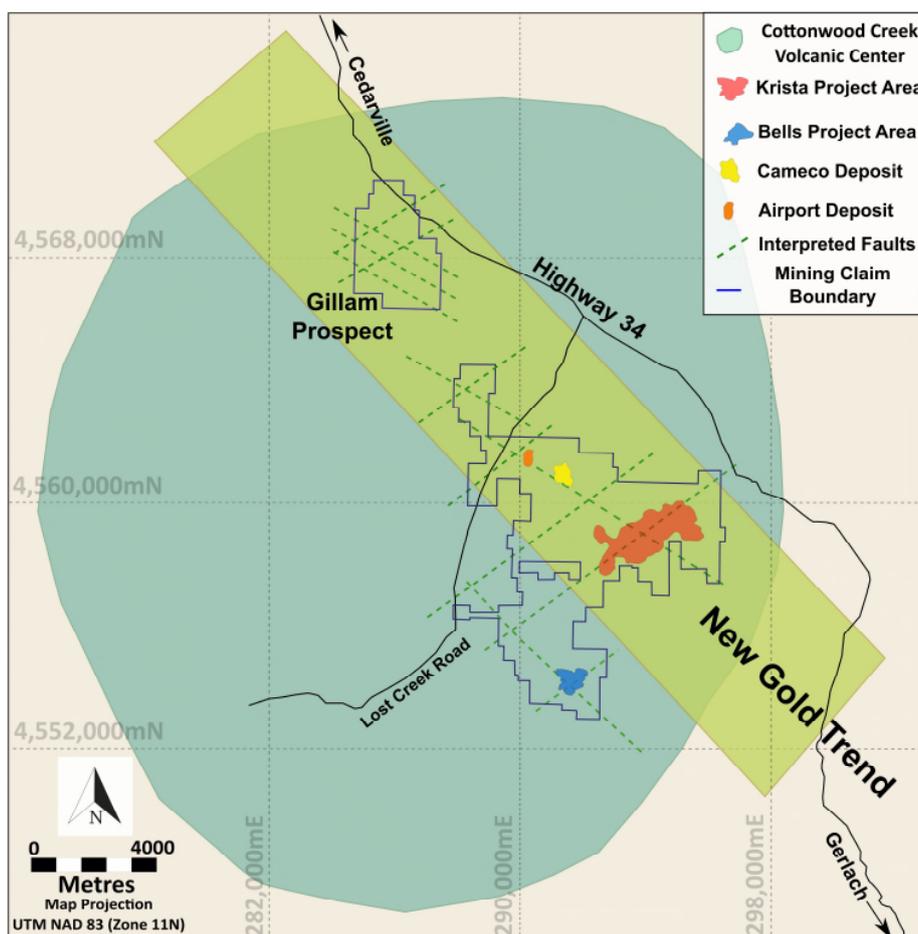
Commenting at the time of this announcement, Rex's CEO Richard Laufmann said: "With this upgrade, Hog Ranch is clearly emerging as a significant and exciting new gold opportunity."

The Company announced the results of a Scoping Study for the Bells Project at Hog Ranch. For full details, see Rex's ASX announcement of 9 June 2020. The headline metrics and outcomes for Bells were reported as follows:

- Based on a Mineral Resource of 420koz
- Production rate of 3Mtpa for an 8.5-year operation
- Producing approximately 39koz of gold per annum from heap leach
- Low operating costs of approximately US\$10/ore tonne
- Pre-production capital costs of US\$58 million
- All-in Sustaining Costs (AISC) of US\$902/oz
- At US\$1,550/oz gold price:
  - IRR of approximately 40% (after-tax)
  - NPV<sub>5%</sub> of approximately US\$75 million (after-tax)
- Payback of 1.9 years (after-tax) from start of development
- The Project is envisaged to be an owner-operator open pit mine with a very low LOM strip ratio of less than 0.5:1
- Gold to be recovered by heap leach processing with an estimated LOM recovery of 80%.

Commenting at the time of this announcement, Rex's CEO Richard Laufmann said: "Bells provides Rex Minerals with a low-cost start-up opportunity at Hog Ranch. The Scoping Study results are extremely encouraging and provide us with the confidence to rapidly progress the Project to the next phase. Gold, Nevada, Heap Leach - we are continuing to unveil a game-changing opportunity at Hog Ranch for Rex Minerals."

On 1 July 2020, Rex announced that ongoing fieldwork and research at Hog Ranch had shown potential for gold mineralisation on a much larger scale than originally anticipated.



*View of the Rex Minerals claim boundaries at Hog Ranch relative to the volcanic host rocks (CCVC), with the newly-defined gold trend which cuts through the host rocks at Hog Ranch and is interpreted to be the focus of significant gold mineralisation.*

Key findings and actions announced were:

- Geological features that are common to the style of gold mineralisation found at Hog Ranch are interpreted to extend over an area that is more than five times the size of the combined historically mined area (0.3Mozs) and current Mineral Resource area (1.4Mozs – see ASX announcement dated 12 May 2020).
- Rex interprets these features to be related to a series of repeating structures which exist along a broad gold trend which appear to be controlling the gold deposition at Hog Ranch.
- Within this gold trend, Rex is exploring for two economically significant target types:
  - Shallow, large-scale gold mineralisation amenable to low-cost (open cut) mining and heap leach processing
  - High grade vein hosted gold mineralisation, underneath the shallow gold positions, as evidenced by many high-grade historical drill intercepts including drill hole 95-031 with 6.1m @ 61.8g/t gold (~3m true width) and drill hole 89-042 with 9.1m @ 19.7g/t gold (~3m true width).
- Rex has followed up this work by more than doubling its land position at Hog Ranch.

- Rex is mobilising to commence drilling in Q3 2020 with a focus on both the shallow disseminated gold and the underlying high-grade gold targets.

Commenting at the time of this announcement, Rex's CEO Richard Laufmann said: "Our outlook and options for Hog Ranch have evolved and grown substantially. Beyond the shallow heap leach gold potential at Hog Ranch, there are quite a number of tasty historical high-grade gold hits that are screaming out to be followed up. If the scale of shallow gold at Hog Ranch is anything to go by, the potential for high-grade vein-hosted gold at depth could deliver equally, if not more exciting, prospects for Rex."

## HILLSIDE PROJECT – SOUTH AUSTRALIA

### Program for Environment Protection and Rehabilitation (PEPR)

Rex advised that the PEPR for Hillside had been formally approved by the SA Government on 24 July 2020.

Rex's CEO Richard Laufmann said at the time: "Approval of the PEPR is a critical and strategic step in the development of the highly-prospective Hillside Copper-Gold Project." For details, see Rex's ASX announcement of 24 July 2020.

As is standard practice, a copy of the PEPR will be published via the SA Government's Department for Energy and Mining (DEM) and Rex's websites.

### Hillside Feasibility Costing Update

Rex announced updated capital and operating cost estimates for Hillside on 28 July 2020. Key outcomes from the Hillside Study include:

#### Financial

- C1 cash cost of US\$1.38/lb copper and All-In Sustaining Cost (AISC) of US\$1.60/lb
- IRR 16.2% and NPV<sub>5%</sub> of A\$501M (post tax)
- Pre-production capital cost of US\$410M (A\$585M)
- EBITDA (annualised) of A\$152.7M.

#### Operational

Over the first 12 years of production:

- Average annual processing rate of 6Mtpa
- Annual average production of 35,000t copper and 24,000ozs gold
- At a head grade of 0.66% copper and 0.17g/t gold.

#### Community

- Employing approximately 500-550 during construction and 430 during operations
- Royalties to the State of A\$170M
- Payroll exceeding A\$500M.

Rex plans to pursue all available financing options, and has engaged Grant Samuel to head a formal process, seeking expressions of interest.

### South Australian Government

The DEM has advised that it will be releasing the Draft Mining Regulations, based around the approved Mining Act amendments from last year, commencing 3 August 2020. Consultation on these draft regulations will be via a number of DEM webinars with specific feedback, and question and answer sessions. These sessions will continue through to 11 September 2020. Industry representative body SACOME has established a Mining Regulations Working Group to review and consult on these draft regulations.

### TENEMENT SCHEDULES AT 30 JUNE 2020

South Australia					
Tenement	Location	Lease Status	Area Type	Current Area	Date
EL5683 *	Moonta South	Granted	km <sup>2</sup>	21	09/06/2020
EL5981	Moonta South	Granted	km <sup>2</sup>	108	22/06/2021
EL6100	Moonta South	Granted	km <sup>2</sup>	94	16/01/2023
EL6136 *	Moonta South	Granted	km <sup>2</sup>	185	19/03/2020
EL6143 *	Moonta South	Granted	km <sup>2</sup>	104	15/04/2020
EL6189	Moonta South	Granted	km <sup>2</sup>	354	01/08/2022
EL6245	Moonta South	Granted	km <sup>2</sup>	1,168	01/08/2022
EL6455	Moonta South	Granted	km <sup>2</sup>	74	04/11/2021
ML6438	Hillside	Granted	Ha	2,998	15/09/2035
EML6439	Hillside	Granted	Ha	225	15/09/2022
MPL146	Hillside	Granted	Ha	94	15/09/2035

\* Renewal documentation submitted to the SA Government and currently being processed

In addition to the above, Rex has a 100% interest in the Hog Ranch Property, based in Nevada USA. The Hog Ranch Property is currently made up of a total of 347 mining claims located in Washoe County, Nevada. The underlying title of 247 of those claims is held in Platoro West Incorporated (Platoro) and Nevada Select Royalty Inc. Hog Ranch claims are subject to an underlying agreement between Platoro, Nevada Select Royalty Inc. and Hog Ranch Minerals Incorporated (HRMI). The agreement provides full operational control of the Property to HRMI, with a series of minimum expenditure and activity commitments required to keep the agreement and the option to acquire 100% of Hog Ranch in good standing.

Nevada, USA					
Lode Mining Claims <sup>b</sup>	Location	Lease Status	Area Type	Total Area <sup>a</sup>	Date Certified
NHR 1 – 30	Washoe County	Claimed	Ft <sup>2</sup>	27,000,000	10/08/2019
NHR 31 – 100	Washoe County	Claimed	Ft <sup>2</sup>	63,000,000	28/01/2020

<sup>a</sup> Total Area comprises the area of each Lode Mining Claim, ie. 1500' x 600'

<sup>b</sup> Paperwork documentation for additional Lode Mining Claims submitted to the BLM is currently being processed

## CORPORATE

### Employee Options and Hog Ranch Consideration Rights

No options under the Company's approved Option Incentive Plan have vested or been exercised during the quarter.

The Company also has on issue 20 million Hog Ranch Consideration Rights (HRCR) which convert to Rex shares on the outcome of the following milestones:

- a) 5 million HRCR on announcement by Rex to the ASX by no later than 31 October 2024 on completion of an Inferred Mineral Resource in addition to any Indicated and Measured Mineral Resource in total of 2Moz or higher of contained gold as defined by the 2012 JORC Code with respect to the Hog Ranch Property and has a minimum grade of 0.4 g/t of gold in addition to a minimum tonnage of 100 Mt; and
- b) 15 million HRCR on announcement by Rex to the ASX by no later than 31 October 2024 of the Board approving a decision to mine the Hog Ranch Property.

During the quarter, no HRCR were converted or cancelled as the above milestones are yet to be achieved by the Company.

## COMMODITY MARKET INSIGHT

The copper price started the June 2020 quarter at US\$2.23/lb, ended it at US\$2.73/lb and now sits at US\$2.90/lb. The gold price began the quarter around US\$1,600/oz, ended it around US\$1,810/oz and this week reached an all-time high in excess of US\$1,900/oz, briefly touching US\$2,000/oz.

### Copper

S&P Global Intelligence, as reported in the Mining News online weekday publication, finds that the rate of copper discovery across the world has slowed dramatically, with the past five years being the worst for new copper discoveries in 30 years. This has been compounded, says S&P, by greenfield exploration budgets being halved since the 1990s.

In a reality check for our industry, S&P adds that "even when the additional exploration efforts are completed over the coming years, 2010-19 will remain the worst decade for copper discoveries that we have recorded." It goes on to say that "companies of all sizes need to invest more in grassroots exploration to discover the (copper) deposits that will be required to supply demand 20 years from now."

China's economic recovery from COVID-19 and its appetite for development are front-of-mind for most of the analysis we have reviewed for this quarter.

Reuters quotes UBS as saying that "the strength in copper prices at this stage of the economic recovery has surprised us. Clearly, we under-estimated the strength of China's rebound and supply's ongoing challenges." For context, Reuters tells us that with a severe squeeze on copper scrap collection and availability under lockdown, higher-quality scrap is being reclassified by Beijing as a natural resource. Reuters reasons: "Scrap is (now) the great regulator of the copper market."

In a linked report titled “What does H2 20 hold in store?” UBS points to base metals, and copper in particular, saying that copper demand has been resilient despite COVID-19 while supply outages have supported prices. “Further out, we expect deficits in the copper market to widen as a result of growing demand . . . and bring about higher prices,” it says. Quite bravely, and against the near-term tendency this quarter, UBS estimates a 2023 and 2024 copper price forecast of US\$3.30/lb.

Macquarie Wealth Management, in its early July analysis, simply says: “copper on the up,” adding that “our copper price forecasts were upgraded in the near-term, with CY20 prices increased by 12% and CY21 prices by 4%. Prices have rebounded strongly from near-decade lows seen in March, driven by Chinese demand recovery and (lockdown-related) mine disruptions.” Building on this, and inside the current analysis trend for immediacy, Macquarie says in its mid-July analysis that “the potential for COVID-19 led supply disruptions in Chile has seen a risk premium being priced in for copper,” adding that “while base metal consumption is forecast to contract in 2020 YoY, demand for all base metals is expected to have a medium-term recovery.”

Citi Research also cites, as a major near-term risk, China’s copper scrap import policies in reclassifying high-grade scrap to displace the current quota system. Citi issues a note of caution when it says that “China’s strong credit impulse is a key reason to anticipate an ongoing recovery in demand, and the 2H 2020 path for copper demand is modest compared to what would usually be associated with this kind of credit impulse (mostly on account of the relative scale of the ongoing demand shock).”

In a reality check, the international commodities trading group Transamine reminds us that “price rebounds have been so strong that you could be forgiven for thinking that the end of the (COVID-19) crisis is in sight, which it is not.”

### Gold

In a timely piece prepared to examine the potential impact of an economic recovery, the World Gold Council reminds us that there are four key drivers of gold demand, namely: risk and uncertainty, opportunity cost, economic expansion and momentum.

The WGC says uncertainty has, understandably, lifted demand for safe-haven assets such as gold, adding that in China (the world’s leading gold producer, ahead of Australia and Russia), gold has outperformed all major Chinese asset classes in the first half of 2020. It observes that Chinese gold ETFs total holdings in H1 2020 have increased by US\$647 million. The WGC went on to say that in H1 2020, gold was up +16.8% in US\$ terms and significantly outperformed all other major asset classes as investors sought a highly-liquid safe haven from COVID-induced market volatility. It says that flows into gold-backed ETFs broke multiple records including exceeding multi-decade records for central bank buys seen in 2018 and 2019.

On a bright, but somewhat predictable note, the CEO of the world’s top gold miner, Newmont’s Australian-born Tom Palmer, told Bloomberg that the gold price could break through the US\$2,000 an ounce barrier.

“The level of stimulus globally that’s going into the economy certainly underpins higher gold prices for the longer term, and I don’t think that stimulus has stopped yet. You could certainly see scenarios that have it pushing north of \$2,000,” Palmer is reported to have said.

Frank Holmes, the widely-read CEO of US-based natural resources investment group, US Global Investors, tagged a recent piece about gold in the context of money printing through quantitative easing as “you can’t just print more gold,” adding in a separate report that “this could be the perfect storm that pushes gold to a new record high.”

Holmes says a perfect storm of surging government debt levels, plunging real bond yields, rising coronavirus cases and deteriorating economic forecasts have pushed the gold price to an eight year high. He adds that London-based research firm Edison goes even further, where its analysts believe gold should already be near US\$1,900, with the potential to rise beyond US\$3,000.

ANZ's July note to institutional clients says that the buoyant gold market has almost perfect conditions – lower interest rates, macro uncertainty, dovish central banks, ample liquidity and a weaker US dollar are keeping the gold price afloat, adding that ETF holdings are reaching fresh highs. In a separate report, ANZ says that “we still expect gold to hit a record high in H2 2020 – we think those investors who continue to raise their allocation to precious metals are sitting on a gold mine.”

In closing, we could not depart without referencing a Mining Weekly interview with the Chairman of Vancouver-based Novagold Resources, Thomas Kaplan, who said that location had become the existential investment criterion for gold mining at a time when some countries are leaning towards nationalism, adding that “the place where investors will be channelled . . . is in the great assets that are located in safe places. If it is not in a place where I can go gambling or take my kids, like Las Vegas, or go swimming in the Great Barrier Reef in Australia or go whale-watching or salmon fishing in Alaska, I don't think I want to make a career risk.”

His CEO, Greg Lang, named Nevada Gold Mines (a Barrick-Newmont JV) as the only one of three ‘million-plus’ ounce per annum gold-producing complexes that is in a safe jurisdiction. Nevada has been ranked number three in the world for investment attractiveness (behind Western Australia and Finland) by the Fraser Institute. Nevada is home to Rex Minerals Hog Ranch Gold Property. South Australia, where Rex's Hillside Copper-Gold Project is located, ranks sixth on the Fraser Institute index.

## SUPPLEMENTARY INFORMATION

### Forward-Looking Statements

This announcement contains “forward-looking statements”. All statements other than those of historical facts included in this announcement are forward-looking statements. Where the Company expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. However, forward-looking statements are subject to risks, uncertainties and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements. Such risks include, but are not limited to, copper, gold and other metals price volatility, currency fluctuations, increased production costs and variances in ore grade or recovery rates from those assumed in mining plans, as well as political and operational risks and governmental regulation and judicial outcomes. The Company does not undertake any obligation to release publicly any revisions to any forward-looking statement.

### Competent Persons’ Statement - Hog Ranch

The information in this report that relates to Exploration Results or Mineral Resources is based on, and fairly reflects, information compiled by Mr Steven Olsen who is a Member of the Australasian Institute of Mining and Metallurgy and an employee of Rex Minerals Ltd. Mr Olsen has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’. Mr Olsen consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to mining is based on, and fairly reflects, information compiled by Mr Charles McHugh who is a Fellow of the Australasian Institute of Mining and Metallurgy and an employee of Rex Minerals Ltd. The information in this report that relates to mining is based on, and fairly reflects, information compiled by Mr McHugh. Mr McHugh has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’. Mr McHugh consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to metallurgy is based on, and fairly reflects, information compiled by Mr John Burgess who is a Fellow of the Australasian Institute of Mining and Metallurgy and a consultant to Rex Minerals Ltd. Mr Burgess has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’. Mr Burgess consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

### Base Case Assumptions – Bells Project

The Bells Scoping Study (2020) price assumptions are quoted in US dollars and Gold US\$1,550/oz.

### **Competent Persons' Report – Ore Reserves – Hillside Project**

The information in this report that relates to Ore Reserves is based on information compiled by Mr Charles McHugh who is a Member of the Australasian Institute of Mining and Metallurgy and is an employee of Rex Minerals Ltd. Mr McHugh has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr McHugh consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.

### **Competent Persons' Report – Mineral Resources – Hillside Project**

The information in this report that relates to Exploration Results or Mineral Resources is based on information compiled by Mr Patrick Say who is a Member of the Australasian Institute of Mining and Metallurgy and is an employee of Rex Minerals Ltd. Mr Say has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Say consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

### **Base Case Assumptions – Hillside Project**

The Hillside FS (2020) price assumptions for the life of the operation are Copper US\$3.00/lb; Gold US\$1,550/oz and exchange rate of AUD:USD \$0.70.

## CORPORATE INFORMATION

ASX Code: RXM

### Issued Share Capital as at 30 June 2020

Ordinary Shares	309,674,882
Options on Issue (Unquoted)	14,100,000
Hog Ranch Consideration Rights (Unquoted)	20,000,000

### Share Price Activity for the 30 June 2020 Quarter

Low	3.1c
High	8.8c
Last (28 July 2020)	21.0c

### Share Registry

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## Appendix 5B

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

Name of entity

Rex Minerals Ltd

ABN

12 124 960 523

Quarter ended ("current quarter")

June 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation (if expensed)	(312)	(1,903)
(b) development	-	-
(c) production	-	-
(d) staff costs	(516)	(1,972)
(e) administration and corporate costs	(162)	(1,045)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	3	26
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	108	108
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(879)</b>	<b>(4,786)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	(2)
(d) exploration & evaluation (if capitalised)	-	-
(e) investments	-	-
(f) other non-current assets	-	-

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

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	-	<b>(2)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
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	-	784
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	4,400
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	(37)	(129)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(37)</b>	<b>5,055</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	3,906	2,723
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(879)	(4,786)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(2)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(37)	5,055

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

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>2,990</b>	<b>2,990</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	2,990	3,909
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>2,990</b>	<b>3,909</b>

**6. Payments to related parties of the entity and their associates**

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

<b>Current quarter \$A'000</b>
162

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

Payments at Item 6.1 relate to remuneration payments for Directors for the quarter.

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

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<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	4,400	4,400
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
<b>7.4 Total financing facilities</b>	<b>4,400</b>	<b>4,400</b>
<b>7.5 Unused financing facilities available at quarter end</b>		-
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.		
A secured loan facility to the value of \$4.4m was entered into in March 2020, via a group of 12 lenders including 4 Directors at an interest rate of 10%, maturing March 2021.		

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (Item 1.9)	(879)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	-
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(879)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	2,990
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	2,990
<b>8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)</b>	<b>3.40</b>

- 8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:
- 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:

- 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:

- Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

## 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 2020



Authorised by: KAY DONEHUE, Company Secretary  
(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.