

## QUARTERLY ACTIVITIES & CASHFLOW REPORT FOR QUARTER ENDING 31 December 2022

ASX Announcement 30 January 2023

## HIGHLIGHTS

### Chaketma Phosphate Project

- Scoping Study released, including the newly upgraded GK Resource.
  - Production of 1.5Mtpa high-quality phosphate rock concentrate over 46 year mine life.
  - Strong financial returns, with **after-tax NPV<sub>10</sub> of US\$657M**.
  - **After-tax IRR of 54% and payback of 1.5 years from commercial production.**
  - Total revenue US\$10.1B @ US\$150/t FOB North Africa phosphate concentrate (vs current World Bank price of US\$300/t).
  - Average annual net cashflow (first 10 years production) US\$93.4M.
  - **Development capital US\$170M.**
- PhosCo's application for a mining concession over the Chaketma Phosphate Project did not receive approval.
  - PhosCo is engaging with the Ministry seeking reversal of this decision to ensure its strong legal rights are protected.
  - The Chaketma exploration permit has been in good standing whilst the Chaketma mining concession application has been under consideration.
  - CPSA has complied with the requirements of the mining code and has an exclusive right to apply for the Mining Concession.
  - PhosCo is protected by Tunisian investment laws and international treaties.
- PhosCo received a favourable court ruling for seizing the 48.99% interest in Chaketma held by its joint venture partner, TMS, for non-payment of damages. Subject to appeal, PhosCo will seek to acquire TMS' seized shares through a court endorsed sales process, with the amount determined to be deducted from the damages owed to PhosCo (A\$6M).

### Corporate

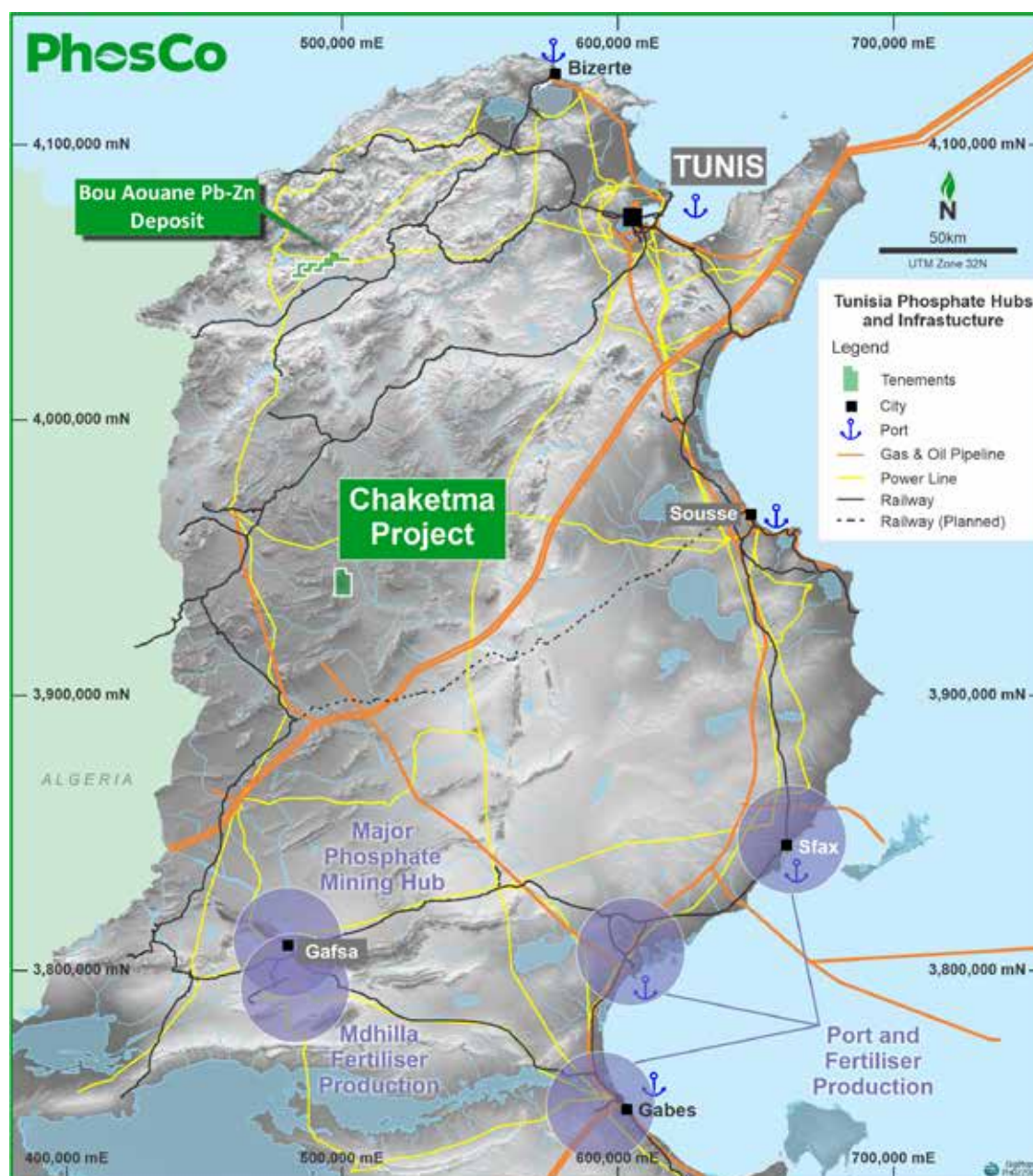
- Annual General Meeting held on 29 November 2022 with all resolutions carried.
- PhosCo held cash of approximately A\$2.7M at the end of the December 2022 quarter.

## Overview

PhosCo Ltd ('PhosCo' or the 'Company') (ASX:PHO) is an ASX-listed company focused on the potential large-scale, world-class development of the Chaketma Phosphate Project in Tunisia.

## Chaketma Phosphate Project

- Located in Tunisia:
  - 210km SW of Tunis, with access by bitumen road.
  - 35km from rail.
  - Access to ports near Europe and global trade routes.
  - Gas and grid power nearby.
- Scoping Study announced in December 2022<sup>1</sup> based on 146.4Mt @ 20.6% P<sub>2</sub>O<sub>5</sub> Resource from two prospects.
- Exploration potential across four additional prospects.
- Experienced technical team with phosphate industry knowledge.
- A resource upgrade was announced on 17 November 2022.



**Figure 1** Location of the Chaketma Phosphate Project

1. Refer to ASX announcement dated 9/12/22: 'Scoping Study Confirms Outstanding Economics for Chaketma'.



## Chaketma Phosphate Project

On 9 December 2022, PhosCo announced the results of a Scoping Study for the development of a potential large-scale, world-class mining operation at its Chaketma Phosphate Project in Tunisia, strategically located in close proximity to key export markets/end users. The highlights included:

### Financial Highlights

- Strong financial returns, with **after-tax NPV<sub>10</sub> of US\$657M**.
- **After-tax IRR of 54% and payback of 1.5 years from commercial production.**
- Total revenue US\$10.1B @ US\$150/t FOB North Africa phosphate concentrate (vs current World Bank price of US\$300/t).
- Average annual net cashflow (first 10 years production) US\$93.4M.
- **Development capital US\$170M.**

### Key Parameters

- Low risk open-pit mining and processing to deliver 1.5Mtpa of high-quality concentrate at **greater than 30% P<sub>2</sub>O<sub>5</sub> and less than 1% MgO**.
- Construction of a facility to process feed tonnages from 2.7Mtpa to 3.5Mtpa.
- **Production target of 128Mt @ 19.9% P<sub>2</sub>O<sub>5</sub>, from overall 46 year mine life.**
- First 18 years of production from KEL Resource with strip ratio of 3.6:1, scheduled from Measured (88%) and Indicated (12%) KEL Resource.

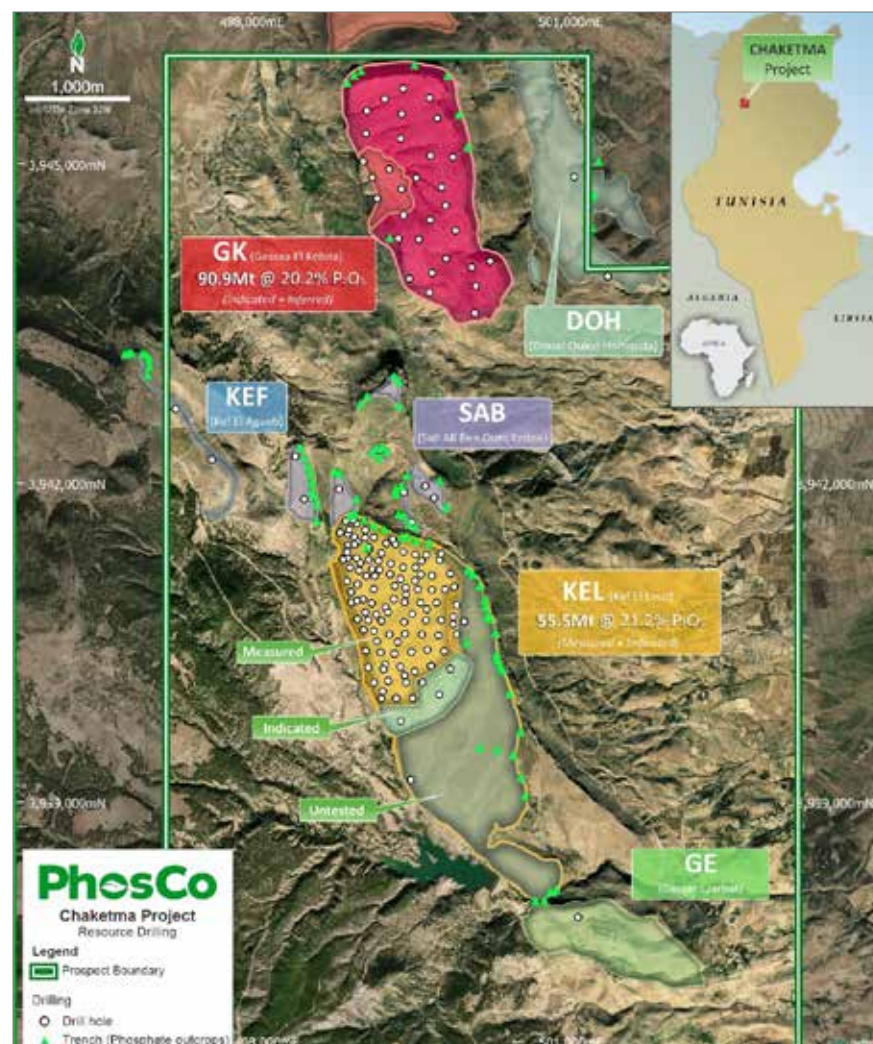


Figure 2 Chaketma Deposits and Resources

### Significant Upside Potential

- Large resource could support higher production rate above 1.5Mtpa to match market demand.
- Nearby deposits identified for lower mining costs, including SAB prospect.
- Mining optimisation for greater utilisation of strip mining.
- **Potential to direct ship material in higher grade layer B early in project life.**
- Simplified processing via single stage flotation and/or washing.
- Economies of scale, such as extension of a rail connection to site for lower cost logistics yet to be considered.

The Scoping Study was prepared based on technical work conducted by a group of leading independent consultants including SRK Consulting (UK) Ltd, Jacobs Engineering Group, Arethuse Geology Sarl, COREM and Direct Mining Services.

## Chaketma Development Concession

On 3 January 2023, PhosCo announced that Chaketma Phosphates SA (CPSA) received a letter from the Minister of Industry, Mines and Energy whereby the application for a mining concession over the Project did not receive approval.

PhosCo has been advised by specialist Tunisian lawyers that it has strong grounds to seek reversal of this decision.

- CPSA has complied with the requirements of the mining code and has an exclusive right to apply for the Mining Concession.
- PhosCo is protected by Tunisian investment laws and international treaties.

PhosCo is engaging with the Ministry to ensure its rights are protected in relation to the mining concession application and take into account PhosCo's various options to acquire the remaining minority interest in the Project.

In late 2017 CPSA, owned 50.99% by PhosCo Limited, applied to convert the Chaketma exploration permit to a mining concession ahead of the February 2018 deadline. The exploration permit has been in good standing whilst the Chaketma mining concession application has been under consideration by the Director General for Mines (Direction Générale des Mines) (DGM) in Tunisia.

CPSA's concession application was originally submitted on 5 December 2017, with DGM declining this application on 31 August 2018. The bulk of CPSA's feasibility work submitted to the Tunisian Government in support of the application was accepted by the Tunisian government. The application was ultimately declined by DGM due to the lack of financial capability of TMS (who illegally held the Project 100% at the time). Reference was also made to the early December 2017 arbitral award returning PhosCo's 50.99% interest in the share capital of CPSA.

As announced on 20 September 2022, following engagement with DGM which had requested an updated finance plan for the Project proving the capability to finance the development, CPSA lodged a request to reconsider the concession application. This request was supported by an updated economic and financial study to develop Chaketma, demonstrating the financial capability to finance the Project.

On 19 December 2022 CPSA received the Minister's Decision rejecting the application and terminating the validity of CPSA's exploration permit.

PhosCo has formally requested the Minister to revisit this decision under Tunisian administrative processes. In order to preserve its legal rights, CPSA will be applying to have the decision suspended on the basis that the execution of the ministerial decision would have irreparable and irreversible consequences for CPSA.

The Tunisian mining code provides a range of protections for permit holders, including an exclusive right for the exploration permit holder to apply for a mining concession, subject to compliance with the requirements set out in the mining code. Importantly, CPSA has fulfilled all commitments relating to the required research and studies and has complied with the conditions specified in the mining code and specific technical matters requested.

PhosCo is also protected by Tunisian investment law and international treaties that Tunisia has adopted addressing investments in certain sectors, including those made by foreign investors. Key provisions of the investment law include a guarantee of the freedom of investments, a guarantee against nationalisation, confiscation, sequestration and expropriation.

## Seizure of TMS' interest in Chaketma

On 3 January 2023, PhosCo announced that the First Instance Court in Tunisia has ruled in favour of PhosCo seizing the 48.99% interest in Chaketma held by its joint venture partner, TMS. This ruling is for non-payment of A\$6M damages and costs owed by TMS to PhosCo and is a positive step towards PhosCo acquiring 100% of Chaketma (subject to any appeal). PhosCo will seek to acquire TMS' seized shares and achieve 100% ownership of Chaketma through the sales process, with the amount determined to be deducted from the damages owed to PhosCo.

PhosCo has a 50.99% interest in CPSA, the operating company holding the Project. TMS holds a 48.99% interest in CPSA and has failed to pay TND12.9M (A\$6M) in damages from an arbitral award issued in November 2017 and enforced in Tunisia in September 2019.



Consequently, PhosCo commenced various seizure actions in the Tunisian courts over TMS assets including the 48.99% CPSA interest to offset the unpaid damages awarded in PhosCo's favour. PhosCo has been seeking seizure orders of TMS' interest in CPSA since early 2021.

The First Instance Court has approved PhosCo's application to seize TMS' interest in CPSA and commence a court endorsed sales process and transfer of TMS' interest in CPSA to PhosCo for non-payment of damages.

Subject to any appeal, PhosCo will request the appointment of an independent expert to determine the value and process to sell the seized shares in CPSA which may include a public auction. PhosCo maintains priority rights as an existing CPSA shareholder pursuant to the original agreement with TMS and intends to participate in this sales process. PhosCo's objective through this procedure is to increase its interest in CPSA to 100%. Subject to the court's approval, any determined amount will be applied towards discharging some or all of TMS' unpaid damages and costs owed to PhosCo.

## GK Resource

On 17 November 2022, PhosCo announced a significant increase in confidence of its Mineral Resources Estimate (MRE) at the GK prospect at Chaketma in Tunisia.

Independent consultancy Arethuse Geology has estimated Indicated and Inferred Mineral resources for GK of 90.9Mt at a grade of 20.2% P<sub>2</sub>O<sub>5</sub> in accordance with JORC (2012) guidelines and with **83.7Mt at 20.2% P<sub>2</sub>O<sub>5</sub> Indicated**. No cut-off was applied on P<sub>2</sub>O<sub>5</sub> grade for this Mineral resource statement, the estimate is based on ≥10% P<sub>2</sub>O<sub>5</sub> grade shells with very limited dilution.

The conversion of 90% of the 2013 MRE from Inferred to Indicated is a significant milestone in the advancement of the Chaketma project. There was a slight loss of tonnes (2Mt) due in part to the additional 21 drill holes and use of high-resolution LiDAR generated topographic control that accurately constrained the limit of the outcropping phosphate horizon. The previously published maiden MRE of 93Mt at 20.2% P<sub>2</sub>O<sub>5</sub> for GK announced on the 18 June 2013 was entirely in the Inferred category (as estimated by

independent consultancy Geos Mining). The revised global MRE for Chaketma provides a resource base that is likely to support a long-life, large-scale project.

Global resources at Chaketma now stand at **146.4Mt at 20.6% P<sub>2</sub>O<sub>5</sub>**, with 55Mt at 21.1% P<sub>2</sub>O<sub>5</sub> at KEL (March 2022) and a further 91Mt at 20.2% P<sub>2</sub>O<sub>5</sub> at GK. Only 5% of the resources are classified as Inferred and only 2 of the 6 prospects adequately drill-tested. Further drilling will only add to this resource base. The Chaketma resource is the only phosphate resource controlled by an ASX listed company in the North African/Middle Eastern phosphate megaprovince. The improved confidence in the GK MRE Resource provides a strong basis for technical and financial assessments of the project.

## Sekarna Application

On 11 July 2022, PhosCo announced that an Exploration Permit application to be held 100% by PhosCo has been lodged with the Tunisian Department of Mines over the Sekarna Phosphate Project (Sekarna). The application covers over 128km<sup>2</sup> in area and is located 10km northeast of Chaketma.

PhosCo's Tunisian exploration team observed phosphate in outcrop below the upper Eocene cap rock exposed by steep-sided mesa topography. No exploration targeting phosphate has been carried out over Sekarna. The phosphate mineralisation was investigated by A Zaier (1999), a PhD student who studied and documented phosphate deposits of the central and western basin of Tunisia.

Historic diamond drilling by Reminex Exploration in 2007 that targeted lead zinc mineralisation intersected phosphate over an interval of 8 metres in drill hole SRLE3. The phosphate was not analysed. A 2011 geological paper on lead-zinc mineralisation at Sekarna reported phosphate grades of between 19.7% and 27.8% P<sub>2</sub>O<sub>5</sub> in five core samples (Garnit et al 2011).

Field inspection by PhosCo's Tunisian team traced the phosphate unit, which was exposed in outcrop with mapped thicknesses of between 5m to more than 20m for 2.7km along the margin of the Rohia Graben.

The application process is well advanced and awaits official grant.

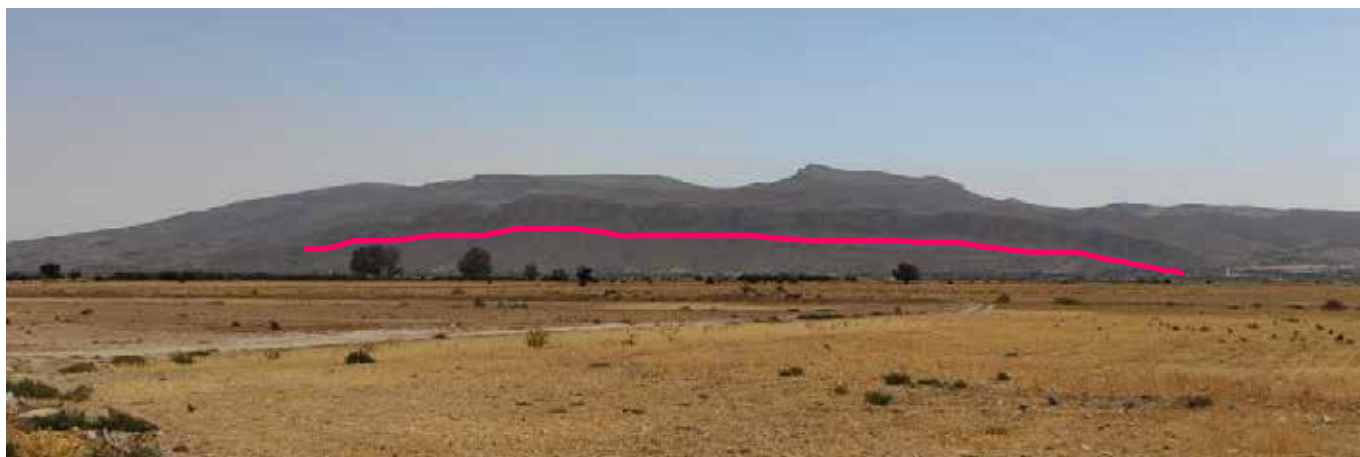


Figure 3 Sekarna – Mesa – Phosphate layer at base of the limestone cap

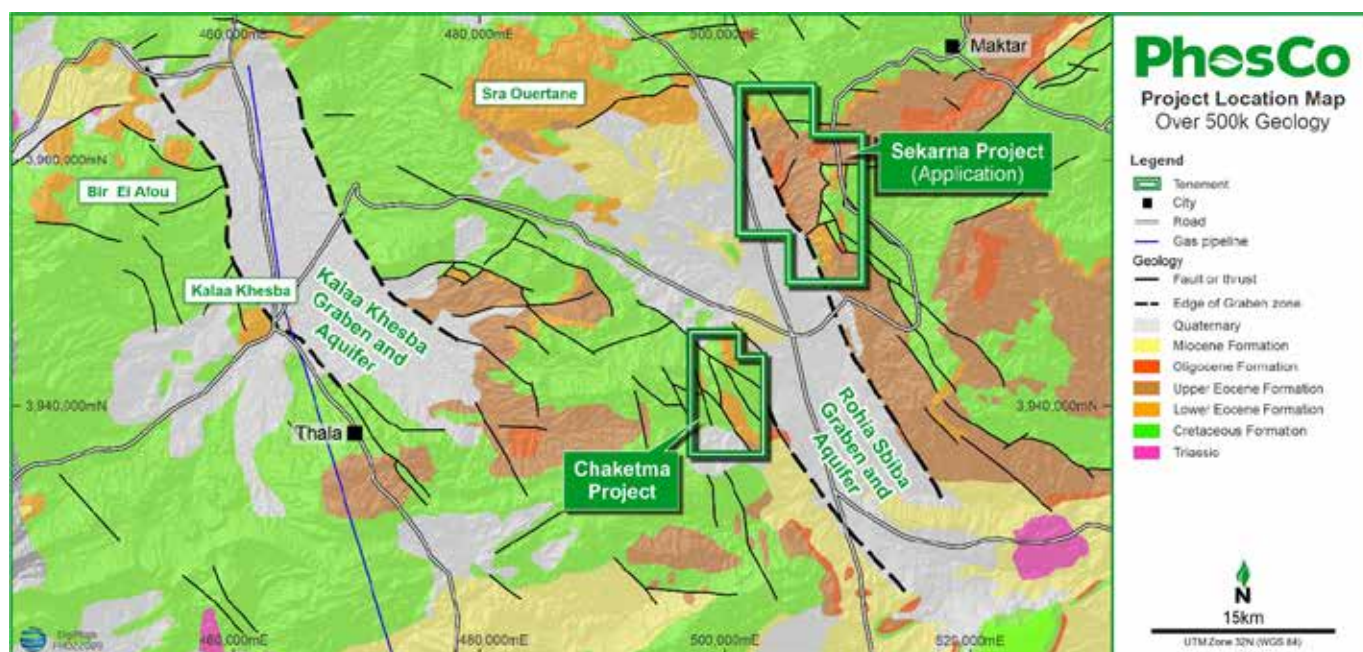


Figure 4 Sekarna application in relation to Chaketma



Figure 5 Sekarna – Western side viewed from Rohia Graben

## Northern Tunisia Base and Precious Metals Applications Update

In April 2022, PhosCo lodged two Exploration Permit applications in Northern Tunisia. The applications cover over 424km<sup>2</sup> and 244km<sup>2</sup> respectively targeting copper, gold, lead and zinc. The interpretation is that the Tunisian nappe zone is the extension and eastern termination of Iberian Pyrite Belt along the Mediterranean coast through Morocco and Algeria.

The application process is well advanced and awaits official grant.

## Drilling at Zeflana Base Metals Project

During the quarter PhosCo announced that an auger drilling program on PhosCo's Zeflana Project in northern Tunisia commenced in October 2022. The drilling program aimed to test target areas that are considered highly prospective due to the following:

- highly anomalous zinc and lead from soil sampling of transported cover conducted by OZ Minerals in 2008;
- along strike from the Sidi Bou Aouane zinc-lead deposit mined in the early 20th century;
- within a region that contain many Mississippi Valley Type (MVT) zinc-lead deposits;
- gravity high, with similar characteristics to the historic Sidi Bou Aouane mine approximately to the north-east; and
- nearby historical workings.

The rig completed a 25-hole program with samples collected pending sample preparation and assay.

## Phosphate Market Update

Phosphate is a critical fertilizer that underpins the world's food supply. The price of rock phosphate has risen substantially, from US\$88/t in February 2021 to US\$300/t in December 2022. According to studies, the continued supply of phosphate fertilizers that underpin global food production is an imminent crisis with some regions including the European Union declaring phosphate a critically strategic commodity. The conflict in Ukraine has further exacerbated this crisis, with Ukraine and Russia key players in the fertilizer market.

## Annual General Meeting

The Company held its Annual General Meeting on 29 November 2022 and all resolutions were carried.

## Corporate update

PhosCo held cash and cash equivalents of approximately A\$2.7M at the end of the December 2022 quarter.

Payments to related parties and their associates during the quarter as outlined in Section 6 of the accompanying Appendix 5B to this quarterly activity report were \$68,000. These payments are related to components of director salaries paid during the December 2022 quarter.

This announcement is authorised for release to the market by the Board of Directors of PhosCo Ltd.

US\$/T

# Rock phosphate pricing US\$/T



Source: World Bank Phosphate Price (F.O.B. North Africa)



## List of Tenements Held

Mining Tenement	Location	Beneficial Percentage held	Interest acquired farm-in during the quarter	Interest disposed/farm-out during the quarter
Chaketma	Tunisia	50.99%*	-	-
Zeflana	Tunisia	100%	-	-
Ain El Bouma	Tunisia	100%	-	-
Zaouiet Sidi Mbarek	Tunisia	100%	-	-
Djebba	Tunisia	100%	-	-
Djebba 2	Tunisia	100%	-	-

\* The Chaketma Phosphate Exploration Permit is 100% held by CPSA. As announced on 3 January 2023, PhosCo's application to seize TMS' interest was successful which is the first step to PhosCo potentially securing 100% of CPSA.

On 13 November 2020, PhosCo announced that it had recovered its interest in CPSA following the transfer by the court appointed expert as outlined in the arbitration award returning PhosCo's interest in Chaketma and payment of damages and costs amongst other matters. In addition, on 11 October 2021, PhosCo announced that it has assumed operational and management control over Chaketma Phosphate SA (CPSA), holder of the Chaketma Phosphate Project as a 50.99% shareholder of CPSA. Although PhosCo has recovered the 50.99% interest, the Company notes that various actions related to the enforcement of the arbitration orders remain before the courts, including clarification of the financial state of CPSA and will include status of the CPSA equity.

In late 2017 CPSA, owned 50.99% by PhosCo Limited, applied to convert the Chaketma exploration permit to a mining concession ahead of the February 2018 deadline. The exploration permit has been in good standing whilst the Chaketma mining concession application has been under consideration by the Director General for Mining (Direction Générale des Mines) (DGM) in Tunisia.

CPSA's concession application was originally submitted on 5 December 2017, with DGM declining this application on 31 August 2018. The bulk of CPSA's feasibility work submitted to the Tunisian Government in support of the application was accepted by the Tunisian government, but the application was ultimately declined by DGM due to the lack of financial capability of TMS (who illegally held the Project 100% at the time), with reference also made to the arbitral award returning PhosCo's 50.99% interest in the share capital of CPSA.

As announced on 20 September 2022, following engagement with DGM which requested an updated finance plan for the Project proving the capability to finance the development, CPSA lodged a request in September 2022 to reconsider the application. This request was supported by an updated economic and financial study to develop Chaketma, demonstrating the financial capability to finance the Project.

On 19 December 2022 CPSA received the Minister's Decision rejecting the application and terminating the validity of CPSA's exploration permit.

PhosCo is seeking to engage with the Minister and will formally seek to revisit this decision under Tunisian administrative processes.

In order to preserve its legal rights, CPSA will also apply to have the decision suspended on the basis that there are strong grounds to suspend the execution of the Minister's Decision which would otherwise have irreversible consequences on CPSA.

## Chaketma Phosphate Project Global Mineral Resources

Chaketma	JORC 2012	Mt	% P <sub>2</sub> O <sub>5</sub>
KEL (March 2022)	Measured	49.1	21.3
	Indicated	6.4	20.3
	<b>Total</b>	<b>55.5</b>	<b>21.2</b>
GK (November 2022)	Indicated	83.7	20.2
	Inferred	7.2	20.1
	<b>Total</b>	<b>90.9</b>	<b>20.2</b>
Global Resources	Measured	49.1	21.3
	Indicated	90.1	20.2
	Inferred	7.2	20.1
	<b>Total</b>	<b>146.4</b>	<b>20.6</b>

Refer to ASX announcement dated 15/3/22: 'Phosphate Resource Update Delivers 50% Increase at KEL' and ASX announcement dated 17/11/22: '90% Conversion of Inferred to Indicated Resources at GK'.

- All Mineral Resources are reported in accordance with the 2012 JORC Code

- The Mineral Resource is reported at a cut off grade of 10% P<sub>2</sub>O<sub>5</sub>

All figures are rounded to reflect appropriate levels of confidence. Apparent differences may occur due to rounding.

**This announcement is authorised for release to the market by the Board of Directors of PhosCo Ltd.**

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## Appendix 5B

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

Name of entity

PHOSCO LTD

ABN

82 139 255 771

Quarter ended ("current quarter")

31 December 2022

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(149)	(323)
	(e) administration and corporate costs	(685)	(1,157)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	12	19
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(822)</b>	<b>(1,461)</b>

<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(3)	(3)
	(d) exploration & evaluation	(371)	(542)
	(e) investments	-	-
	(f) other non-current assets	-	-

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 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)		
	Cash acquired	-	(17)
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(374)</b>	<b>(562)</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	-	2,904
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(21)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>2,883</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	3,862	1,809
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(822)	(1,461)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(374)	(562)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	2,883

## 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 (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	(3)
4.6	<b>Cash and cash equivalents at end of period</b>	<b>2,666</b>	<b>2,666</b>

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	2,666	3,862
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>2,666</b>	<b>3,862</b>

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	68
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	<b>Total financing facilities</b>	-	-
7.5	<b>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.		
	N/A		



8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(822)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(371)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(1,193)
8.4	Cash and cash equivalents at quarter end (item 4.6)	2,666
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	2,666
8.7	<b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b> <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>	2.23
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not? <div style="border: 1px solid black; padding: 5px; margin-top: 5px;">                         Answer: Not applicable as item 8.7 is greater than 2.                     </div>	
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful? <div style="border: 1px solid black; padding: 5px; margin-top: 5px;">                         Answer: Not applicable as item 8.7 is greater than 2.                     </div>	
8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis? <div style="border: 1px solid black; padding: 5px; margin-top: 5px;">                         Answer: Not applicable as item 8.7 is greater than 2.                     </div>	
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>		

## Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 January 2023

Authorised by: The Board.....  
 (Name of body or officer authorising release – see note 4)

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An

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

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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.