

## QUARTERLY ACTIVITIES REPORT TO 31 DECEMBER 2022

Issued: 27 January 2023

### KEY POINTS

In line with ASM's strategic business priorities, this Quarter ASM:

- Strengthened its balance sheet by \$41.1 million via successful Capital Raise, to position the Company to undertake priority activities in 2023;
- Completed the neodymium praseodymium metal commissioning and materially progressed the NdFeB alloy commissioning at the Korean Metals Plant; and
- Negotiated with HEC for a variation to the Dubbo Project EPC Definition contract. This was finalised after the end of the Quarter and the Notice to Proceed for Stage 1 was issued to allow work to commence.

### CORPORATE

#### Strengthened the balance sheet via Capital Raise

To position ASM to undertake priority activities in 2023, the Company strengthened its balance sheet by completing a Capital Raise.

The Capital Raise was comprised of an institutional placement which raised AUD 30 million (Placement), together with a Share Purchase Plan (SPP) which raised \$11.1 million (Capital Raising)<sup>1</sup>. Support from directors included a contribution of \$4 million in the Placement from major shareholder and Chair Ian Gandel, and participation in the Placement or SPP by other directors. The Placement saw strong interest from domestic and international institutional investors, with demand significantly exceeding the shares available under the Placement.

The funds from the Capital Raising will be used to:

- Secure Korean Metals Plant feedstock inventory to support metals production;
- Accelerate offtake marketing and strategic partner discussions in relation to funding the Dubbo Project; and
- Commence early works on Dubbo Project road, bridge and rail infrastructure, which are important for site access.

Funds will also be used for corporate costs, general working capital and costs associated with the Capital Raising

<sup>1</sup> Refer ASX Release 5 December 2022: *Share Purchase Plan delivers \$11.1 million*; ASX Release 2 November 2022: *Institutional Placement to Raise A\$30M and Commencement of Share Purchase Plan*

## Executive team changes

In November, Ms Julie Jones, General Counsel and Joint Company Secretary, tendered her resignation to accept a role elsewhere<sup>2</sup>. Ms Jones will remain as General Counsel and Joint Company Secretary at ASM until 2 February 2023. ASM is disappointed to see Ms Jones leave, but congratulates her on the new opportunity and wishes her every success.

In December, ASM was pleased to appoint Ms Annaliese Eames as General Counsel and Joint Company Secretary to succeed Ms Jones<sup>3</sup>. Ms Eames has over 15 years' of legal, commercial, strategic and corporate governance experience. Her substantive experience in project contracting, corporate and debt financing and intellectual property, is directly relevant to the growth of ASM, particularly as the Company looks to progress development of the Dubbo Project in 2023. Ms Eames will commence with ASM effective 30 January 2023.

ASM is also in the process of recruiting for the Chief Operating Officer role, which was left vacant on the appointment of Ms Rowena Smith as CEO. This role will lead the critical work for development of the Dubbo Project and the ramp-up of the Korean Metals Plant.

## Annual Report and Annual General Meeting

As part of end of financial year reporting, ASM's Annual Report was delivered to shareholders this Quarter<sup>4</sup>.

The Company's Annual General Meeting (AGM) was also held on 28 November 2022. This was a hybrid meeting, with shareholders passing all resolutions placed before them<sup>5</sup>. ASM CEO Ms Rowena Smith addressed the meeting, delivering an updated Company Presentation and answering shareholder questions. The full AGM and Ms Smith's presentation can be viewed on the ASM website, together with the presentation slides.

## ESG and RISK

### Public ESG risk rating assessment

In December, Morningstar Sustainalytics was engaged to undertake a public assessment of ASM's ESG risk rating. This measured ASM's exposure to, and management of, material ESG issues across its global entities. The formal assessment rating will be published in Q1 2023.

### ASM accepted as a participant member of the United Nations Global Compact

In November, ASM was accepted as a participant member of the United Nations Global Compact (UN Global Compact), the world's largest corporate sustainability initiative. Membership to the UN Global Compact reinforces ASM's commitment to aligning its business with the United Nations' Sustainable Development Goals, which include principles on human rights, labour, environment, and anti-bribery and corruption.

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<sup>2</sup> Refer ASX Release 10 November 2022: *Resignation of General Counsel and Joint Company Secretary*

<sup>3</sup> Refer ASX Release 23 December 2022: *Appointment of General Counsel and Company Secretary*

<sup>4</sup> Refer ASX Release 24 October 2022: *2022 Annual Report to Shareholders*

<sup>5</sup> Refer ASX Release 28 November 2022: *Results of Annual General Meeting*

### Quality assurance

Two annual surveillance audits were conducted on ISO9001 (Quality Management) and ISO14001 (Environmental Management Systems) at KMP by the Institute of Global Certification. No non-conformances were identified.

### COVID-19

COVID-19 continued to significantly impact the Korean workforce. ASM protocols reduced the impact to manageable levels, resulting in no disruption to operations.

## DUBBO PROJECT

*The Dubbo Project is integral to ASM's mine-to-metals business, for the supply of rare earths and critical minerals.*

### EPC Definition work to progress with Hyundai Engineering Co. Ltd in three stages

Following a successfully negotiated variation to the Engineering, Procurement, and Construction Definition work (EPCD), ASMH have issued HEC, one of the world's leading EPC firms, with a notice to commence the Definition works in three stages:

- Stage 1 establishes front-end engineering and design activities and progresses with standards development for \$5 million;
- Stage 2 further develops engineering design to allow for identification and selection of technology requirements for \$7 million; and
- Stage 3 provides for the remainder of the EPCD services to allow HEC to provide an open-book estimate and offer to implement the Dubbo Project under an engineer, procure, and contract (EPC) Contract for \$34.7 million.

HEC is expected to complete Stage 1 in mid-2023, with the overall contract anticipated to complete in the second half of calendar year 2024.

### Grant support received from NSW government

ASM was successful in its applications to the NSW government's Critical Minerals and High-tech Metals Activation Fund (CMAF). ASM was awarded grant funding under both Streams 1 and 2 of the CMAF. With other applications in progress, ASM will continue regular grant activities in 2023.

### Tb/Dy solvent extraction pilot program awarded \$500,000

In November, the Dubbo Project received grant funding of \$500,000 under Stream 1 of the CMAF<sup>6</sup>. The grant was awarded to contribute to a study aimed at finalising the process flowsheet for the Terbium/Dysprosium solvent extraction circuit. This study is being developed in collaboration with the Australian Nuclear Science and Technology Organisation (ANSTO).

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<sup>6</sup> Refer ASX Release 22 November 2022: *ASM Dubbo Project study awarded grant from NSW Critical Minerals and High-Tech Metals Activation Fund*

### Early establishment activities receive \$10 million

Under Stream 2 of the CMAF, the Dubbo Project was awarded grant funding of \$10 million to support early establishment activities<sup>7</sup>. Subject to execution of binding documentation, ASM will receive the funding to support infrastructure upgrades necessary for the high-standard road access required for the development and ultimate operation of the Dubbo Project. This work includes the upgrade of two major road creek crossings, road intersections, and upgrade of pavement along the Western Plains Zoo boundary.

ASM plans to commence this work in the second half of 2023.

The infrastructure upgrades enabled by this grant will benefit not only the Dubbo Project, but also the local community and businesses.

### Project Development Consent Modification 1

The Development Consent Modification 1 (MOD1) submission review period continued throughout the Quarter. In December, ASM received a request from the Department of Planning and Environment (DPE) for information on construction noise modelling. ASM responded to the request, providing additional information to the DPE for their further review.

### ANSTO collaboration

ASM continued its collaboration with the Australian Nuclear Science and Technology Organisation (ANSTO) throughout the quarter. Major test work reporting received during the Quarter, included:

- Water usage and Rare Earth Element recovery in the process
- MgO Neutralisation and Hafnium Pilot Plant campaign reports

### Marketing and sample preparation program

Dubbo Project samples of hafnia, from work conducted at ANSTO, were produced during the Quarter. The samples were prepared as part of the technical qualification process for potential customers, and will be distributed to potential offtake customers in January 2023, as part of ongoing marketing activity. ASM remains on track to commence the distribution of samples of zirconia and dehafniated zirconia in Q1 2023.

ASM hosted a visit to the site from a global industrial materials customer interested in possible offtake agreements for multiple Dubbo products.

Face-to-face meetings were also held at industry conferences in Asia and the US, with commercial discussions continuing with prospective Korean, Japanese, European, and US customers.

### MOU signed with Japanese trading house Marubeni Corporation

At the end of the Quarter, ASM signed a Memorandum of Understanding (MOU) with Japanese trading house Marubeni Corporation (Marubeni). Under the MOU, ASM and Marubeni have entered discussions to explore mutually beneficial opportunities. These include the possibility for Marubeni to distribute ASM's rare earth

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<sup>7</sup> Refer ASX Release 19 December 2022: *ASM's Dubbo Project gets \$10 million funding boost from NSW government*

oxides and rare earth metals into Japan, and for Marubeni to supply sulphuric acid, sulphur, and boron related material to ASM's Dubbo Project. The MOU will be in effect until November 2023.

### Project financing

To develop the Dubbo Project, ASM is targeting a project financing funding strategy based on a mix of equity, supported by offtakes and debt, with further support from Australian and Korean export credit finance.

During the Quarter, ASM continued discussions with potential offtake and equity partners regarding potential collaboration and investment in the Dubbo Project. These parties included global industrial conglomerates, Australian, Korean and other government agencies, product end-users, engineering companies and financial investors.

The Revised Framework Agreement between ASM and KCF Energy Co. Ltd remained valid, and the parties met during the period to discuss opportunities for KCF to assist ASM in growing its businesses in Australia and Korea.

ASM also continued discussions with potential debt providers regarding potential provision of project finance. These parties included Australian and Korean government funding agencies and Australian, Korean, and global project finance banks.

## KOREAN METALS PLANT

*The Korean Metals Plant is an integral part of ASM's mine-to-metals business: producing high-tech metals.*

### Neodymium praseodymium

During this Quarter, the commissioning of neodymium praseodymium (NdPr) metal and alloy products was completed at the Korean Metals Plant (KMP). The KMP produced 12.2 tonnes of saleable NdPr metal, including 2 tonnes for direct sales to NS World.

Commissioning of the alloy strip caster progressed to near completion with testing underway to develop specific NdFeB strip alloy products. This testing will continue in the next Quarter.

Samples of NdFeB strip alloy produced were supplied to a US magnet maker for inspection, as part of advanced negotiations for a potential sales agreement.

Positive negotiations are ongoing with US and Japanese counterparts for both NdPr metal and NdFeB alloy, and the market will be updated when binding agreements are concluded.

### NS World sales and delivery of NdPr metal

As at end of the Quarter, ASM had delivered a total of three tonnes of NdPr metal to Korean customer NS World, as part of its contract for 10 tonnes<sup>8</sup>. At NS World's request, the sale and delivery of the remaining seven tonnes has been renegotiated for the first half of 2023. This is to align with NS World's plant commissioning schedule<sup>9</sup>.

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<sup>8</sup> Refer ASX Release 8 September 2022: *First sale of Neodymium Praseodymium metal from Korean Metals Plant*

<sup>9</sup> Refer ASX Release 23 December 2022: *Update to timing of NdPr metal sale and delivery to NS World*

### Copper titanium and LK Process

Commissioning of ASM’s innovative metallisation technology (LK Process) continued during the Quarter, with the focus on production of copper titanium (CuTi) alloy with higher titanium (Ti) content compared to previous test results.

ASM also received a request for CuTi alloy samples produced in custom-sized moulds to suit a potential customer’s requirement. Testing moulds were manufactured and delivered to the KMP in December, and production of the customer samples is planned for 1H 2023.

### Metallisation tests of Dubbo Project oxides

Preparation began for a metallisation testing program for the remaining Dubbo Project oxide products (Zr, Hf, Dy and Tb). This programme is planned to commence in 2023, with the order of oxides based on availability of the raw materials.

### KSMM & KSMT receive joint Research and Development grant

ASM received approval from the Korean government for an international joint Research and Development grant for subsidiaries KSM Metals (KSMM) and KSM Technology (KSMT). The grant is to assist with developing and further advancing rare earth metal refining. The grant will provide ₩1.24 billion for KSMT and ₩ 2.85 billion for KSMM, to be paid over a four-year distribution period.

KSMM and KSMT will conduct their Research and Development project over the four-year period, commencing Q4 2022.

### Agreement with Korea’s Chungcheongbuk Province and Vietnamese Rare Earth Company

In December, ASM signed a non-binding business agreement with the Chungcheongbuk Province in Korea and the Vietnam Rare Earth Company (VTRE) to co-operate to build a global rare earths supply chain<sup>10</sup>. Among the desired outcomes from the agreement is certainty of supply for KMP feedstock until the Dubbo Project commences operation.



**MOU signing ceremony with Chungcheongbuk Province & VTRE**

<sup>10</sup> Refer ASX Release 15 December 2022: *ASM signs Agreement with Korea’s Chungcheongbuk Province and Vietnamese Rare Earth Company*

## MARKET OUTLOOK

Markets for both Korean Metals Plant and Dubbo Project products are constructive in the medium term, as the security of critical minerals' supply chains assumes increased importance for many governments. This was exemplified during the Quarter by the new Critical Minerals Partnership, signed between Australia and Japan, to support the adoption of clean energy technologies through the joint advancement of the supply chains on which they depend. As these industries develop, ASM is well positioned for the inevitable transition to market-based pricing mechanisms that will more accurately reflect the intrinsic value of many of ASM's products.

Post the Quarter, 2023 has started positively for most ASM products, with broad-based support from a falling USD as participants not only eye a less hawkish Federal Reserve, but also the recovery in China's economy, as COVID-19 restrictions are eased and Beijing relaxes constraints on developers in the real estate sector.

### NdFeB

Combined with restocking ahead of Chinese New Year, rare earth oxides and metals have made gains from recent lows, while prices for high performance NdFeB alloys also rose in December from the prior month. It is interesting to note that together with a 42% rise in Electric Vehicle (EV) sales globally in the first 11 months of 2022, loadings of NdFeB magnets per vehicle also jumped by more than 13%<sup>11</sup> due to increasing sales of models requiring more motor power. In addition, the global fleet of EVs is expected to top 40 million vehicles<sup>12</sup> by the end of 2023.

### Zirconia

Zirconia markets have also benefited from a seasonal uptick in demand, so that prices for zirconium oxychloride (ZOC) have risen by 6% from their November lows. Chinese exports of ZOC also rose by 6% YoY in the first 11 months of 2022<sup>13</sup>, responding to strong demand from the international market. From here China's 16-point plan for the property sector should be supportive of the important tile and sanitaryware markets.

### Hafnium

Shortages in the hafnium market show no sign of abating - spot ingot prices are currently at new record highs of USD 3,750/t – up from USD 1,500/t only 6 months ago. While hafnium is overwhelmingly supplied as a by-product from zirconium production for nuclear industry requirements, its largest end use is as an additive in nickel-based superalloys for industrial and aero gas turbine engines. With the resurgence of aircraft production in 2022 and growing demand for hafnium tetrachloride coatings from semiconductor manufacturers for the next generation of nanochips, the hafnium market is now experiencing a period of significant supply constraint, not least because hafnium supply in China is being internalised. This serves to further highlight the importance for governments and industry alike of securing independent, stable sources of supply - not just for hafnium - but for all critical minerals.

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<sup>11</sup> % increases derived from Adamas Intelligence figures from EV Monthly Reports

<sup>12</sup> Bloomberg NEF: <https://www.bloomberg.com/news/articles/2023-01-12/electric-vehicles-look-poised-for-slower-sales-growth-this-year?leadSource=verify%20wall>

<sup>13</sup> All figures for zirconia and hafnia are derived from Argus

## COMMUNITY

*ASM is committed to establishing strong and positive relationships with the communities where we operate. We want to work together to build resilient communities and return a positive, lasting legacy.*

### Dubbo

ASM continued to support local community activities in Dubbo throughout the Quarter. NSW General Manager, Mr Mike Sutherland and the team from subsidiary, Toongi Pastoral Company (TPC), attended the Aspire Careers Day. Students in years 7-9 from three local Independent Schools participated in the event, and heard about the wide range of job opportunities the Dubbo Project could offer them once construction commences.



**Aspire Careers Day, Dubbo.**

Representatives from ASM were also delighted to attend the presentation night for the inaugural cohort of students who participated in the Macquarie Agricultural Pathways Project. ASM and TPC have been proud to support this initiative of the Macquarie Anglican Grammar School throughout 2022.

On 7 December 2022, a Community Consultative Committee Meeting was also held at the Dubbo Project Site.

### Korea

As part of its commitment to employees and the community, KSM has formed a local partnership with the Chungbuk Disaster Centre. In the first instance, the centre will provide a confidential employee assistance support service for staff in Korea.

The centre will be supported by the Red Cross, and also provide community support for those who have experienced disasters, to alleviate the impacts and psychological recovery. Staff in Korea will have the opportunity to assist with this community support, by participating in emergency response training, crisis response programs, blood donations, and social volunteering activities such as help with meal services, support for vulnerable elderly or disabled people, and fundraising.

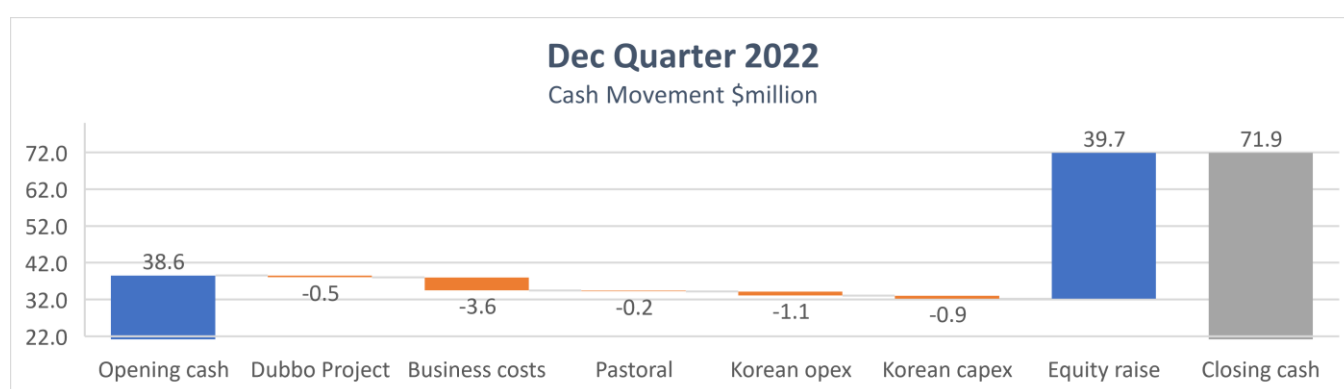


## FINANCE

### Cash

ASM's cash position as at 31 December 2022 was \$79.1M. The following waterfall chart highlights cash movements during the Quarter including:

- \$0.5M of investment in the Dubbo Project, including the purchase of engineering and metallurgical services
- \$3.6M of business costs relating to administration and business development
- \$1.1M of Korean expenditure, principally relating to administrative and personnel costs
- \$0.9M of investment in the Korean Metals Plant, including the purchase of equipment and machinery
- \$39.7M net proceeds from capital raising activity during the quarter



### Banking Facilities

During the Quarter ended 30 June 2022, the Group executed two loan facilities totalling ₩22 billion Korean Won with Korea Development Bank and drew down ₩15 billion on the industrial operating expense facility, which is repayable on or before 10 June 2024 in one bullet repayment.

At 31 December, the Group had bank debt totalling ₩15 billion (A\$17.5m), with ₩7 billion (A\$8.2m) remaining in undrawn facilities, please refer to item 7 in Appendix 5B for further details.

## MINING TENEMENTS

Australian Strategic Materials Limited confirms the following information as of 31 December 2022 (as required by ASX Listing Rule 5.3.3).

Tenements	Mining tenements acquired during the Quarter	Mining tenements disposed of during the Quarter	Mining tenements held at the end of the Quarter	Tenement location
EL 5548	N/A	N/A	100%	Dubbo NSW
EL 7631	N/A	N/A	100%	Dubbo NSW
ML 1724	N/A	N/A	100%	Dubbo NSW

No exploration or other mining activities have occurred for the quarter (as required by ASX Listing Rule 5.3.1).

## APPENDIX 5B

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

Name of entity	
Australian Strategic Materials Ltd	
ABN	Quarter ended ("current quarter")
90 168 368 401	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	157	157
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	376	(18,065)
	(d) staff costs	(3,520)	(6,136)
	(e) administration and corporate costs	(649)	(2,028)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	229	273
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)	-	-
	<i>Cash received from pastoral activities and sale of surplus feed stock at the Korean Metals Plant.</i>	307	2,512
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(3,100)</b>	<b>(23,287)</b>

1.2(c) Production costs includes inventory purchased for the Korean Metallisation Plant, operating costs, and category reclassification.

<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	(1,423)	(2,503)
	(d) exploration & evaluation (Dubbo Project)	(522)	(1,978)
	(e) investments	-	-

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
	(f) other non-current assets	-	-
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)	-	-
	<i>Cash received from government grants</i>	415	936
	<i>Payments for biological assets</i>	(1,124)	(1,268)
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(2,654)</b>	<b>(4,813)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)*	41,085	41,085
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	(1,372)	(1,372)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	(353)	(353)
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>39,360</b>	<b>39,360</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	38,558	60,220
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(3,100)	(23,287)

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2,654)	(4,813)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	39,360	39,360
4.5	Effect of movement in exchange rates on cash held	(263)	421
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>71,901</b>	<b>71,901</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	41,901	23,558
5.2	Call deposits	30,000	15,000
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>71,901</b>	<b>38,558</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	260
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

*During the quarter ended 31 December 2022, item 6.1 cash payments totalled \$260,000. These payments included Director's fees, travel, consulting, and superannuation. Other related parties' payments included \$54,000 paid to Alkane Resources Limited for personnel and office services.*

<b>7. Financing facilities</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>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>																												
7.1 Loan facilities	17,495	17,495																												
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>		8,164																												
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.																														
<p><i>The Group holds two Korean Won (₩) loan facilities with Korea Development Bank in South Korea. Firstly, an Industrial Facility for operating and capital expenditure and secondly an Overdraft Facility for the Korean Metals Plant. Details of each facility is outlined below:</i></p> <table border="1"> <thead> <tr> <th></th> <th>Industrial Facility - Opex</th> <th>Industrial Facility - Capex</th> <th>Overdraft Facility</th> </tr> </thead> <tbody> <tr> <td>Facility amount</td> <td>₩ 15,000,000,000</td> <td>₩ 4,000,000,000</td> <td>₩ 3,000,000,000</td> </tr> <tr> <td>Amount drawn</td> <td>₩ 15,000,000,000</td> <td>Undrawn</td> <td>Undrawn</td> </tr> <tr> <td>Repayment date</td> <td>10 June 2024</td> <td>Quarterly repayments for 5 years commencing from date of loan draw down.</td> <td>2 years from date of loan draw down.</td> </tr> <tr> <td>Lender</td> <td>KDB Bank</td> <td>KDB Bank</td> <td>KDB Bank</td> </tr> <tr> <td>Interest</td> <td>KDB 2-year industrial financial debenture rate (on date of transfer) + 1.05% pa.</td> <td>KDB 5-year industrial financial debenture rate (on date of transfer) + 0.68% pa.</td> <td>KDB overdraft base rate + 1.06% per annum</td> </tr> <tr> <td>Security</td> <td>Unsecured</td> <td>Secured</td> <td>Unsecured</td> </tr> </tbody> </table>				Industrial Facility - Opex	Industrial Facility - Capex	Overdraft Facility	Facility amount	₩ 15,000,000,000	₩ 4,000,000,000	₩ 3,000,000,000	Amount drawn	₩ 15,000,000,000	Undrawn	Undrawn	Repayment date	10 June 2024	Quarterly repayments for 5 years commencing from date of loan draw down.	2 years from date of loan draw down.	Lender	KDB Bank	KDB Bank	KDB Bank	Interest	KDB 2-year industrial financial debenture rate (on date of transfer) + 1.05% pa.	KDB 5-year industrial financial debenture rate (on date of transfer) + 0.68% pa.	KDB overdraft base rate + 1.06% per annum	Security	Unsecured	Secured	Unsecured
	Industrial Facility - Opex	Industrial Facility - Capex	Overdraft Facility																											
Facility amount	₩ 15,000,000,000	₩ 4,000,000,000	₩ 3,000,000,000																											
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Interest	KDB 2-year industrial financial debenture rate (on date of transfer) + 1.05% pa.	KDB 5-year industrial financial debenture rate (on date of transfer) + 0.68% pa.	KDB overdraft base rate + 1.06% per annum																											
Security	Unsecured	Secured	Unsecured																											

<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)	(23,287)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(1,978)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(25,265)
8.4 Cash and cash equivalents at quarter end (item 4.6)	71,901
8.5 Unused finance facilities available at quarter end (item 7.5)	8,164
8.6 Total available funding (item 8.4 + item 8.5)	80,065
8.7 <b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	3.2
<p><i>Note: if the entity has reported positive relevant outgoings (i.e. 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></p>	
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?	
<p>Answer: N/A</p>	

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

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: 27 January 2023

Authorised by: The Board of Directors

(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.