

## Appendix 5B

# Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

### Name of entity

A-CAP ENERGY LIMITED

### ABN

28 104 028 542

### Quarter ended ("current quarter")

31 DECEMBER 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(105)	(653)
(b) development	-	-
(c) production	-	-
(d) staff costs	(128)	(192)
(e) administration and corporate costs	(326)	(553)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	3
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(557)</b>	<b>(1,395)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	-	2

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) 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 Net cash from / (used in) investing activities</b>	<b>-</b>	<b>2</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	-	-
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
3.5 Proceeds from borrowings	-	200
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	(144)
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
<b>3.10 Net cash from / (used in) financing activities</b>	<b>-</b>	<b>56</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period	1,152	1,973
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(557)	(1,395)
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)	-	56
4.5 Effect of movement in exchange rates on cash held	(16)	(57)
<b>4.6 Cash and cash equivalents at end of period</b>	<b>579</b>	<b>579</b>

5. <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	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	579	943
5.2 Call deposits	-	209
5.3 Bank overdrafts	-	-
5.4 Other (Term deposit)	-	-
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>579</b>	<b>1,152</b>

**6. Payments to directors of the entity and their associates**

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
-
-

**7. Payments to related entities of the entity and their associates**

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000
-
-

## Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	10,680	7,828
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

<p>ICBC Revolving credit facility US\$7 million (A\$ equivalent \$9.98 million as at 31 December 2019)</p> <p><i>Initial drawdown Amount – US\$3 million, Loan Term – 3 years (36 months from withdrawal date 24 Oct-18);</i></p> <p><i>i. Loan Purpose – Working Capital, Interest rate – LIBOR 6 Monthly Interest Rate plus 1.8%;</i></p> <p><i>ii. Penalty Interest Rate – the overdue penalty rate is the Borrowing Rate plus 40%; the interest rate applicable for changing the purpose of the loan is the Borrowing Rate plus 70%;</i></p> <p><i>iii. Interest Payment – 6 months in Advance;</i></p> <p><i>iv. Loan Repayment – By One Payment at any time during the Loan Term or in accordance with the Loan Amortisation Schedule – US\$100,000 by 20 December 2020 and US\$2,900,000 by 16 October 2021. In the event the Loan is repaid early, a 1% early repayment fee shall apply for each month remaining on the Loan unless the loan is repaid during the last month of the Loan Term;</i></p> <p><i>v. Loan Guarantor – Third Party Cash Collateralised Bank Guarantee to ICBC provided by Jiangsu Shengan Resources to the amount of US\$3 million.</i></p> <p><i>Subsequent drawdown amount – US\$2 million, Loan Term – 3 years (36 months from withdrawal date 19 Feb-19)</i></p> <p><i>vi. Loan Purpose – Working Capital, Interest rate – LIBOR 6 Monthly Interest Rate plus 2.0%;</i></p> <p><i>vii. Penalty Interest Rate – the overdue penalty rate is the Borrowing Rate plus 40%; the interest rate applicable for changing the purpose of the loan is the Borrowing Rate plus 70%;</i></p> <p><i>viii. Interest Payment – 6 months in Advance;</i></p> <p><i>ix. Loan Repayment – By One Payment at any time during the Loan Term or in accordance with the Loan Amortisation Schedule – US\$100,000 by 10 November 2021 and US\$1,900,000 by 12 February 2022. In the event the Loan is repaid early, a 1% early repayment fee shall apply for each month remaining on the Loan unless the loan is repaid during the last month of the Loan Term;</i></p> <p><i>x. Loan Guarantor – Third Party Cash Collateralised Bank Guarantee to ICBC provided by Jiangsu Shengan Resources to the amount of US\$2 million.</i></p> <p>Working capital loan (Mr Angang Shen) - A\$500,000</p> <p><i>i. Commitment A\$500,000</i></p> <p><i>ii. Interest Rate 10% p.a.</i></p> <p><i>iii. Repayment date 28 March 2020 of principal sum and accrued interest in cash</i></p> <p>Working capital loan (Mr Angang Shen) - A\$200,000</p> <p><i>i. Commitment A\$200,000</i></p> <p><i>ii. Interest Rate 10% p.a.</i></p> <p><i>iii. Repayment date 24 September 2020 of principal sum and accrued interest in cash</i></p> <p>Working capital loan (Singapore Shenke International Investment Pte Ltd) – A\$500,000 (Drawn-down subsequent to quarter end on 7 January 2020)</p> <p><i>i. Commitment A\$500,000</i></p> <p><i>ii. Interest Rate 10% p.a.</i></p> <p><i>iii. Repayment date 7 January 2021 of principal sum and accrued interest in cash</i></p>		
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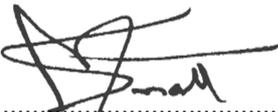
9.	Estimated cash outflows for next quarter	\$A'000
9.1	Exploration and evaluation	(327)
9.2	Development	-
9.3	Production	-
9.4	Staff costs	(30)
9.5	Administration and corporate costs	(336)
9.6	Other (Interest payment on ICBC credit facility))	(144)
<b>9.7</b>	<b>Total estimated cash outflows</b>	<b>(837)</b>

**Note** - As detailed in the Activities Report, a \$500k loan agreement was executed in December and the funds were received on 7 January.

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	N/A	N/A	N/A	N/A
10.2	Interests in mining tenements and petroleum tenements acquired or increased	N/A	N/A	N/A	N/A

### 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.

Sign here:  .....  
(Company secretary)

Date: 28th January 2020

Print name: Malcolm Smartt

**Notes**

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.