



ACN: 062 284 084
ASX Code: SYS

ANNOUNCEMENT TO THE AUSTRALIAN SECURITIES EXCHANGE

31 January 2020

QUARTERLY REPORT FOR THE PERIOD ENDED 31 DECEMBER 2019

The Board of Syngas Limited ("Syngas" or "Company") hereby presents the December 2019 Quarterly Report.

Corporate Transaction and Future Direction

On 17 October 2019, the Company announced that it had entered into a term sheet (**Term Sheet**) for the proposed acquisition of all of the rights, title and interest of Tyranna Resources Limited (ACN 124 990 405) (**Vendor or Tyranna**) in all of the issued shares of Half Moon Pty Ltd (ACN 159 579 138) (**HMP**), the owner of the majority and controlling joint venture interest in the Western Gawler Craton Joint Venture (**WGCJV or JV**) and all tenements located around the WGCJV owned 100% by HMP and Trafford Resources Pty Ltd (ACN 112 257 299) (**Trafford**), collectively referred to as the "Jumbuck Gold Project" (**Acquisition**).

The Acquisition involves Syngas being granted an Option by Tyranna to acquire the Jumbuck Gold Project for \$950,000 cash (**Option**). A non-refundable Option fee of \$50,000 has been paid by Syngas for the Option and the Option is now unconditional.

Syngas is now preparing the relevant agreements for the Acquisition and restructuring of Syngas and intends to sign the said agreements soon.

Syngas has sought and obtained the ASX's preliminary in-principle advice on the Acquisition and restructuring of Syngas.

Full details of the restructuring will be announced in due course.

Finance

During the Quarter the Company continues to rely on the loan facility provided by Mr Low Siak Wei, a director of the Company, which as at 31 December 2019 was drawn down to the amount of A\$700,000. In addition, the Company also has 2 unsecured loan facilities with AsiaPacific Businesslink Sdn Bhd, a company related to Mr Low Siak Wei totalling A\$750,000. As at 31 December 2019, the total amount drawdown from the loan facilities was A\$495,000. During the Quarter, the Company also raised \$70,000 in the form of a convertible note from third party investors to partly fund the restructuring of Syngas.

This announcement has been authorised by the Board.

For Further Information contact:

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Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Name of entity

Syngas Limited

ABN

41 062 284 064

Quarter ended ("current quarter")

31 December 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	-	-
(e) administration and corporate costs	(82)	(113)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
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)	-	-
1.9 Net cash from / (used in) operating activities	(82)	(113)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	(50)	(50)

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	-	-
(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)	-	-
2.6 Net cash from / (used in) investing activities	(50)	(50)

3. Cash flows from financing activities		
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	140	190
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)	-	-
3.10 Net cash from / (used in) financing activities	140	190

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	69	50
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(82)	(113)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(50)	(50)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	140	190
4.5 Effect of movement in exchange rates on cash held	-	-
4.6 Cash and cash equivalents at end of period	77	77

Mining exploration entity and oil and gas exploration entity quarterly report

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	77	69
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	77	69

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
-
-

During the quarter, accrued Executive Director's fees of \$6,196 was paid and accrued administration fee of \$4,000 was paid to a company related to a Director.

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	1,520	1,265
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.		

- Unsecured loan facility of \$700,000 from Director, Mr Low Siak Wei which carries an interest rate of 10.25% per annum which has been fully draw down. Loan facility has been extended to 31 December 2020.
- Unsecured loan facility of \$350,000 from entity related to Director, Mr Low Siak Wei which carries an interest rate of 10.25% per annum which has been fully drawn down up. Loan facility matures 31 December 2020.
- Unsecured loan facility of \$400,000 from AsiaPacific Businesslink Sdn Bhd, entity related to Director, Mr Low Siak Wei, which carries an interest rate of 9.25% per annum which \$150,000 has been down. Loan facility matures 31 December 2020.
- Unsecured convertible note facility of \$70,000 which carries interest rate of 10% per annum with third party.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	-
9.2 Development	-
9.3 Production	-
9.4 Staff costs	6
9.5 Administration and corporate costs	20
9.6 Other (provide details if material)	50
9.7 Total estimated cash outflows	76

Syngas intend to make payment from Option Fee from advance from loan facilities listed above.

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	-	-	-	-
10.2 Interests in mining tenements and petroleum tenements acquired or increased	-	-	-	-

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:


(Director)

Date: 31 January 2020

Print name: David Low

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.