



ACN: 062 284 084
ASX Code: SYS

ANNOUNCEMENT TO THE AUSTRALIAN SECURITIES EXCHANGE

29 July 2020

QUARTERLY REPORT FOR THE PERIOD ENDED 30 JUNE 2020

The Board of Syngas Limited (“Syngas” or “Company”) hereby presents the June 2020 Quarterly Report.

Corporate Transaction and Future Direction

We refer to the announcements dated 17 October and 18 November 2019 relating to the proposed acquisition of 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**).

On 29 June 2020, Syngas signed a Share Sales Agreement with HMP and Trafford for the Acquisition which limits the conditions of the Acquisition to mainly being subject to obtaining their shareholders’ approvals.

On 23 June 2020, the Company applied to the ASX for the delisting of the shares of the Company in order for the Company to expeditiously complete the Acquisition by removing the condition of the Company to re-comply with Chapters 1 & 2 prior to the Acquisition.

For this purpose, a Syngas general meeting will be held on 17 August 2020 to seek shareholders’ approval for the delisting of the shares of the Company.

Only upon delisting of the shares of the Company, will Syngas be able to easily complete the Acquisition as an unlisted public company via loans from a company related to a director. The Company can then undertake its restructuring and thereafter seek to relist its shares with the Jumbuck Gold Project.

Syngas is pleased to announce that the Company has today received a total sum of \$1,000,000 via a loan advance from AsiaPacific Businesslink Sdn Bhd, a company related to Mr Low Siak Wei, to enable it to pay for the Jumbuck Gold Project.

Finance

The Company has been relying on the unsecured loan facilities provided by Mr Low Siak Wei, a director of the Company, and his related company AsiaPacific Businesslink Sdn Bhd, totalling \$1,450,000 as well as two unsecured loan facilities from a third party lender totalling \$170,000. As at 30 June 2020, the total amount drawdown from the aforesaid loan facilities was A\$1,490,000.

During the Quarter, the Company also secured an additional unsecured loan facility with AsiaPacific Businesslink Sdn Bhd for a total sum of \$1,300,000 to fund the Acquisition and working capital of the Company. As at 30 June 2020, this loan facility has not been drawn yet but \$1,000,000 was subsequently drawn in July as stated above.

Syngas Limited

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This announcement has been authorised by the Board of Directors.

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Appendix 5B

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

Name of entity

Syngas Limited

ABN

41 062 284 064

Quarter ended ("current quarter")

30 June 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation (if expensed)	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	-	-
(e) administration and corporate costs	(80)	(257)
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 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(80)	(257)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation (if capitalised)	-	-
(e) investments	-	-
(f) other non-current assets	(25)	(75)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
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)	-	-
2.6	Net cash from / (used in) investing activities	(25)	(75)

3.	Cash flows from financing activities		
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	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	125	415
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	125	415

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	113	50
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(80)	(257)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(25)	(75)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	125	415
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	133	133

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	133	113
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)	133	113

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

Current quarter \$A'000
3
-

During the quarter, accrued administration fee of \$3,000 was paid to a company related to a Director.

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<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	2,920	1,490
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	2,920	1,490
7.5 Unused financing facilities available at quarter end		1,430
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.		
<ul style="list-style-type: none"> • 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 drawn down. Loan facility has been extended to 31 December 2021. • 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. Loan facility matures 31 December 2021. • 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 of which \$270,000 has been drawn down. Loan facility matures 31 December 2021. • Unsecured loan facility of \$170,000 which carries an interest rate of 10% per annum with a third party maturing on 30 June 2021. Loan fully drawn down. • Unsecured loan facility of \$1,300,000 from AsiaPacific Businesslink Sdn Bhd, an entity related to Director, Mr Low Siak Wei, which carries an interest rate of 9.25% per annum which has not been drawn down as at 30 June 2020. Loan facility matures 31 December 2021. 		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(80)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	-
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(80)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	133
8.5 Unused finance facilities available at quarter end (Item 7.5)	1,430
8.6 Total available funding (Item 8.4 + Item 8.5)	1,563
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	19.5

- 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: N/A
- 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

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

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: 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.