



## **ASX Announcement**

31 January 2017

Australian Securities Exchange  
Level 40, Central Park  
152-158 St Georges Terrace  
PERTH WA 6000

## **APPENDIX 4C**

Attached please find the Quarterly Report (Appendix 4C) for the quarter ended 31 December 2017.

The Company note the cash requirement for the next quarter of approximately \$350,000 and the remaining cash balance at 31 December 2016 of \$59,000. The Company is aware of the need for additional funding to ensure it remains in a position to continue its normal business activities and to ensure the realisation of assets and extinguishment of liabilities as and when they fall due.

As previously announced the Company is currently in the process of finalising the acquisition of Alumi Envirotech Pte Ltd ('AET') from Goldson Global Limited ("Goldson"). The Company has recently lodged a proposed Notice of Meeting with ASX for consideration. The Company remains confident that the Goldson transaction will be approved by all relevant parties, including regulators and shareholders. As part of the transaction completion, the Company will also undertake a fundraising to re-capitalise itself.

Under the terms of the transaction, AET will also part fund the Company's current Nipah operations.

The Company also wishes to advise that, under the terms of the agreement with Goldson, related transaction costs of up to \$500,000 is refundable to the Company, with a balance of ~\$400,000 being payable in the next quarter.

The Company further notes that \$300,000 of the cash requirement relates to the repayment of a loan. The terms of the loan allows for part payment (\$225,000) and the balance to be converted to ordinary shares in the Company (the election being at the discretion of the lender).

The Company is also currently in discussions with certain parties to arrange additional bridging finance.

## **ENDS**

For further information: Eric Ng, Executive Director, Ephraim Resources Limited: + (65) 9769 7447

## Appendix 4C

### Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

**Name of entity**

Ephraim Resources Limited

**ABN**

63 008 666 233

**Quarter ended ("current quarter")**

31 December 2016

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$'000 AUD</b>	<b>Year to date (6 months) \$'000 AUD</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) research and development	(5)	(9)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	-	(1)
(d) leased assets	-	-
(e) staff costs	(119)	(140)
(f) administration and corporate costs	(14)	(89)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(20)	(30)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(158)</b>	<b>(269)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-

Consolidated statement of cash flows		Current quarter \$'000 AUD	Year to date (6 months) \$'000 AUD
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (Goldson transaction costs)	(3)	(98)
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(3)</b>	<b>(98)</b>

<b>3.</b>	<b>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	110	410
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>110</b>	<b>410</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 quarter/year to date	110	16
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(158)	(269)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(3)	(98)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	110	410

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$'000 AUD</b>	<b>Year to date (6 months) \$'000 AUD</b>
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of quarter</b>	<b>59</b>	<b>59</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 \$'000 AUD</b>	<b>Previous quarter \$'000 AUD</b>
5.1	Bank balances	59	110
5.2	Call deposits	-	-
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>59</b>	<b>110</b>

6.	Payments to directors of the entity and their associates	Current quarter \$'000 AUD
6.1	Aggregate amount of payments to these parties included in item 1.2	111
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	
Payment of director fees		

7.	Payments to related entities of the entity and their associates	Current quarter \$'000 AUD
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	
N/a		

8. <b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$'000 AUD	Amount drawn at quarter end \$'000 AUD
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	512	512
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><u>CL Ching : A\$101,660</u></p> <p>On 25 May 2016 the Company entered into a loan agreement with Chew Lee Ching, a related party of Mr Ng, for the advancement of SGD\$100,000 (A\$101,660) to the Company for working capital purposes. Under the terms of the loan agreement full repayment of the loan is required by 26 April 2017. The loan carries interest at 10% per annum, repayable at the end of the loan term.</p> <p><u>CC Tan : A\$300,000</u></p> <p>On 30 August 2016 the Company executed a loan agreement with Mr CC Tan, an individual known to a number of the directors. Under the terms of the loan an amount of \$300,000 was advanced to the Company. The loan carries interest at 20% per year and is repayable within 180 days after drawdown. The terms of the agreement allows the lender, at his discretion, to elect to receive 225,000,000 fully paid ordinary shares in the Company in lieu of \$45,000 cash repayments. Such an election can only be made by the lender up until the later of the loan's end date or actual repayment. Mr Ng has provided a personal guarantee to the lender in relation to the obligations of the Company under the loan.</p> <p><u>E Ng : A\$110,000</u></p> <p>On 13 December 2016 the Company entered into a loan agreement with Mr Ng, for the advancement of A\$110,000 to the Company for working capital purposes. Under the terms of the loan agreement full repayment of the loan is required by 19 June 2017, unless shareholders approve the conversion of the loan into ordinary shares (the conversion rate to be the lower of \$0.001 per share (on a pre-consolidated basis) or 75% of the volume weighted average price of the Company's shares calculated over the 15 trading days on which trades in the shares were recorded immediately before the relevant shareholder's meeting). The loan carries interest at 20% per annum, repayable at the end of the loan term.</p>		

9. <b>Estimated cash outflows for next quarter</b>	<b>\$'000 AUD</b>
9.1 Research and development	-
9.2 Product manufacturing and operating costs	-
9.3 Advertising and marketing	-
9.4 Leased assets	-
9.5 Staff costs	12
9.6 Administration and corporate costs	44
9.7 Other (provide details if material) – refer loan terms under item 8.4	300
<b>9.8 Total estimated cash outflows</b>	<b>356</b>

10.	Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1	Name of entity	-	-
10.2	Place of incorporation or registration	-	-
10.3	Consideration for acquisition or disposal	-	-
10.4	Total net assets	-	-
10.5	Nature of business	-	-

### 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:



Print name: Frederick Eric J P Ng (Director)

Date: 31 January 2017

### 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 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 standard applies 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.