

Second Quarter Report 2019

For the Three Months Ended 30 June 2019.

Symbol Mining Limited (ASX:SL1) (**Company**) provides the following summary of Company activities for the June 2019 Quarter.

Operations at Macy

The Administrators refer to the Company's operational update made on 3 May 2019 and note that the Company continued mining operations at the Macy Project throughout the quarter, however at the time of their appointment the Company had not yet reached targeted production levels that would support its ongoing costs and additional external funding was required to continue operations.

Furthermore, it is to be noted that it is understood that there has been a dramatic and unforeseen change in the market circumstances over the period. The directors of the Company have advised that a strong decline in the global price for Zinc as well as an increase in concentrate processing costs in China from their previously provided estimates have caused the Company to incur a dramatic reduction in net revenue from all forecasted production. The directors of the Company have further advised that should the Company have operated at full capacity meeting production target levels, the costs of operation would continue to exceed the net revenue.

Appointment of the Administrators'

The Administrators' understand that prior to their appointment, the Company was in protracted discussions with its major shareholder, major creditor, offtake and marketing partner, Noble Group Holdings Limited (**Noble**) to provide the Company and its subsidiaries with the short-term funding required to restructure its affairs in light of the delays to reach commercial production at the Macy project.

It is understood that the Company was unable to agree to satisfactory terms with Noble and in the absence of any other available funding, the Directors subsequently formed the view that the Company was insolvent, or likely to become insolvent. The Directors subsequently appointed Bryan Hughes and Daniel Bredenkamp (**Administrators**) as Joint and Several Administrators on 12 June 2019 pursuant to section 436A of the *Corporations Act 2001* (**Act**).

Loan Facility

Following the appointment of the Administrators, an urgent assessment of the Company's financial position was undertaken and a number of strategies were considered to minimise expenditure, stabilise operations in Nigeria and ultimately realise upon the Company's assets in a manner to optimise the return to creditors.

The Administrators subsequently negotiated and entered into a short-term loan facility on behalf of the Company with Noble on 26 June 2019 for up to US\$600,000 of funding (**Post Appointment Loan Facility**). The Post Appointment Loan Facility was required to enable the Company to preserve the Imperial Joint Venture assets as well as to meet the ongoing operational expenses at the Macy Project for a four-week period. It is noted that the Imperial Joint Venture assets were subsequently sold to an affiliate of Noble on 12 September 2019 (outside the period of this Activities Report). The Administrators note that an update to the market in respect of this transaction was made at the time on 18 September 2019.

Functional Currency

The Administrators refer to the Fourth Quarter Report 2018 published on the ASX on 31 January 2019 and advise that Appendix 5B of this announcement has been prepared using USD as the functional and presentation currency to remain consistent with the previously published First Quarter Report 2019.

Suspension from Official Quotation

On 15 May 2019, the securities of the Company were suspended from quotation under Listing Rule 17.2 at the request of the Company whilst it sought to agree a debt restructure with Noble, which ultimately was not reached.

The Company remains suspended on the ASX and under the control of the Administrators. The Administrators have subsequently executed a varied Deed of Company Arrangement with First Guardian Synergy Capital Pty Ltd on 29 May 2020 and are assisting this proponent with the recapitalisation of the Company and its reinstatement for trading on the ASX. Further updates in this regard will be released to the market on a regular basis as and when matters progress.

CORPORATE INFORMATION

Issued Share Capital as at 30 June 2019

| | |
|----------------------------|-------------|
| Ordinary Shares (SL1) | 715,785,131 |
| Listed Option (SL1O) | 128,500,000 |
| Unlisted Options (various) | 68,385,900 |

| | |
|--|-----------------------|
| Share Price Activity for the March Quarter (Closing Price) | |
| High | \$0.019 |
| Low | \$0.007 |
| Last | \$0.007 (13 May 2019) |
| Quarter average daily volume | 661,261 shares |

Symbol Mining Limited

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PERTH WA 6000
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Registered Office

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Share Registry

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Investor and Media Enquiries

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Appendix 1 – Tenement Holdings as 30 June 2019.

| Tenement | Registered Holder | Location | Symbol Ownership at the end of the quarter | Symbol Beneficial Interest held in (Farm-in and transfer Agreements) at the end of the quarter | Symbol Interest acquired during the quarter | Symbol Interest disposed during the quarter | Symbol Beneficial Interest (Farm-in and transfer Agreements) acquired during the quarter | Symbol Beneficial Interest (Farm-in and transfer Agreements) disposed during the quarter |
|--------------------|----------------------|----------|--|--|---|---|--|--|
| Imperial JV | | | | | | | | |
| ML 27599 | Imperial JV Ltd | Nigeria | 60% | - | - | - | - | - |
| EL 18444 | Imperial JV Ltd | Nigeria | 60% | - | - | - | - | - |
| EL 18445 | Imperial JV Ltd | Nigeria | 60% | - | - | - | - | - |
| EL 18448 | Goidel Resources Ltd | Nigeria | - | 60% | - | - | - | - |
| SSML 20137 | Goidel Resources Ltd | Nigeria | - | 60% | - | - | - | - |
| SSML 20138 | Goidel Resources Ltd | Nigeria | - | 60% | - | - | - | - |
| SSML 20139 | Goidel Resources Ltd | Nigeria | - | 60% | - | - | - | - |
| EL 27623 | Goidel Resources Ltd | Nigeria | - | 60% | - | - | - | - |
| EL 28174 | NWMAS Nigeria Ltd | Nigeria | - | 60% | - | - | - | - |
| EL 28175 | NWMAS Nigeria Ltd | Nigeria | - | 60% | - | - | - | - |
| EL28572 | NWMAS Nigeria Ltd | Nigeria | - | 60% | - | - | - | - |
| EL28573 | Imperial JV Limited | Nigeria | 60% | - | - | - | - | - |
| EL28574 | Imperial JV Limited | Nigeria | 60% | - | - | - | - | - |
| Tawny JV | | | | | | | | |
| EL 19242 | Tawny JV Ltd | Nigeria | 60% | - | - | - | - | - |

Appendix 5B

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

Name of entity

Symbol Mining Limited

ABN

50 161 989 546

Quarter ended ("current quarter")

30 June 2019

| Consolidated statement of cash flows | | Current quarter \$USD'000 | Year to date (6 months) \$USD'000 |
|--------------------------------------|---|------------------------------|---|
| 1. | Cash flows from operating activities | | |
| 1.1 | Receipts from customers (see note 6) | 286 | 911 |
| 1.2 | Payments for | | |
| | (a) exploration & evaluation | - | (51) |
| | (b) development | - | - |
| | (c) production | (106) | (1,814) |
| | (d) staff costs | (319) | (768) |
| | (e) administration and corporate costs | (72) | (238) |
| 1.3 | Dividends received (see note 3) | - | - |
| 1.4 | Interest received | - | - |
| 1.5 | Interest and other costs of finance paid | (33) | (183) |
| 1.6 | Income taxes paid | - | - |
| 1.7 | Government grants and tax incentives | - | - |
| 1.8 | Other (provide details if material) | (93) | (93) |
| 1.9 | Net cash from / (used in) operating activities | (337) | (2,236) |

| | | | |
|-----------|---|---|-------|
| 2. | Cash flows from investing activities | | |
| 2.1 | Payments to acquire or for: | | |
| | (a) entities | - | - |
| | (b) tenements (see item 10) | - | (7) |
| | (c) property, plant and equipment | - | (144) |
| | (d) exploration & evaluation | - | - |
| | (e) investments | - | - |
| | (f) other non-current assets | - | - |

| Consolidated statement of cash flows | | Current quarter \$USD'000 | Year to date (6 months) \$USD'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 | (834) | (834) |
| 2.4 | Dividends received (see note 3) | - | - |
| 2.5 | Other (provide details if material) | - | - |
| 2.6 | Net cash from / (used in) investing activities | (834) | (985) |

| | | | |
|-------------|---|------------|--------------|
| 3. | Cash flows from financing activities | | |
| 3.1 | Proceeds from issues of equity securities (excluding convertible debt securities) | 18 | 1,183 |
| 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 | - | (78) |
| 3.5 | Proceeds from borrowings | 599 | 2,599 |
| 3.6 | Repayment of borrowings | - | (11) |
| 3.7 | Transaction costs related to loans and borrowings | - | (35) |
| 3.8 | Dividends paid | - | - |
| 3.9 | Other (provide details if material) | - | - |
| 3.10 | Net cash from / (used in) financing activities | 617 | 3,658 |

| | | | |
|-----------|--|-------|---------|
| 4. | Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 | Cash and cash equivalents at beginning of period | 808 | 12 |
| | 4.1(a) Adjustment to opening cash | - | (195) |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (337) | (2,236) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | (834) | (985) |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | 617 | 3,658 |

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

| Consolidated statement of cash flows | | Current quarter \$USD'000 | Year to date (6 months) \$USD'000 |
|--------------------------------------|---|------------------------------|---|
| 4.5 | Effect of movement in exchange rates on cash held | - | - |
| 4.6 | Cash and cash equivalents at end of period | 254 | 254 |

| 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 \$USD'000 | Previous quarter \$USD'000 |
|-----|--|------------------------------|-------------------------------|
| 5.1 | Bank balances | 254 | 808 |
| 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) | 254 | 808 |

| 6. | Payments to related parties of the entity and their associates | Current quarter \$USD'000 |
|---|---|------------------------------|
| 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 | - |
| <i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i> | | |

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

| | | | |
|-----------|---|---|--|
| 7. | Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i> | Total facility amount at quarter end \$USD'000 | Amount drawn at quarter end \$USD'000 |
| 7.1 | Loan facilities | - | (599) |
| 7.2 | Credit standby arrangements | - | - |
| 7.3 | Other (please specify) | - | - |
| 7.4 | Total financing facilities | - | (599) |
| 7.5 | Unused financing facilities available at quarter end | | - |
| 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. Please refer to Loan Facility above for further information. | | |

| | | |
|-----------|--|------------------|
| 8. | Estimated cash available for future operating activities | \$USD'000 |
| 8.1 | Net cash from / (used in) operating activities (item 1.9) | (337) |
| 8.2 | (Payments for exploration & evaluation classified as investing activities) (item 2.1(d)) | - |
| 8.3 | Total relevant outgoings (item 8.1 + item 8.2) | (337) |
| 8.4 | Cash and cash equivalents at quarter end (item 4.6) | 254 |
| 8.5 | Unused finance facilities available at quarter end (item 7.5) | - |
| 8.6 | Total available funding (item 8.4 + item 8.5) | 254 |
| 8.7 | Estimated quarters of funding available (item 8.6 divided by item 8.3) | 0.75 |
| | <i>Note: if the entity has reported positive relevant outgoings (ie 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> | |
| 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? Answer: No, the Company has entered into voluntary administration and has ceased Australian operations. | |
| 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: As above. | |

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: No.

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: .31 July 2020.....

Authorised by: .....
(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.
6. The Administrators have based the above consolidated statement of cash flows based on the Company's unreconciled books and records recovered on the date of their appointment (12 June 2019). A reconciling entry in the amount of USD\$286K has been entered at item 1.8 to balance the consolidated cash flow.