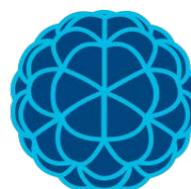




# QUARTERLY REPORT

FOR THE QUARTER ENDED  
30 SEPTEMBER 2016

(ASX : CNX; OTCQX Code : CNXAY)



carbon**energy**

# CARBON ENERGY LIMITED

(ABN 58 057 552 137)

## QUARTERLY ACTIVITIES REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2016

### KEY EVENTS FOR THE QUARTER

- The JinHong Joint Venture in China was capitalised in late September 2016 after receiving the initial \$10 million milestone payment under the JV agreement;
- The Company released 123,845,128 shares from escrow, pursuant to a voluntary escrow deed entered into between the Company and Kam Lung Investment Development Company (Kam Lung), Carbon Energy's cornerstone investor. These shares were issued as part of a private placement to Kam Lung that was completed in September 2015;
- Kerry Parker was appointed as the Company's Managing Director and Chief Executive Officer and he commenced on 1 September 2016;
- A Terms Sheet agreement was signed with Ascot Energy Limited to license keyseam for a proposed 30MW power generation project in Indonesia;
- The Company received a \$1.4 million Research and Development Tax incentive cash rebate (as expected) on 16 August 2016;
- The Company placed \$400,000 of its remaining shortfall from the March 2016 rights issue; and
- On 25 July 2016 the Queensland Chief Scientist confirmed Carbon Energy had successfully completed the Independent Scientific Panel Process and that its keyseam technology met the key recommendations of the government appointed Independent Scientific Panel (ISP) into underground coal gasification, stating "*it is clear that Carbon Energy has contributed to the collective understanding of UCG and the conditions under which the operation is likely to be both safe and successful*".

### SUBSEQUENT TO QUARTER END

- Cornerstone Shareholder Kam Lung secured Carbon Energy's pathway forward in a strong show of support by agreeing to purchase the \$10 million convertible note held with Pacific Road and agreeing to partially underwrite a \$5 million rights issue capital raising – which is subject to shareholder approval at the Company's 2016 AGM;
- The Company 2016 Annual General Meeting (AGM) will be held on Thursday 15 December 2016, following approval from ASIC for an extension of time to hold the AGM;
- Non-Executive Director (and nominee of the Pacific Road Group) Louis Rozman resigned from the Board; and
- Chairman, Dr Chris Rawlings announced his retirement from the Board, to take effect at the conclusion of the 2016 AGM.

# COMPANY UPDATE

## HEALTH, SAFETY, ENVIRONMENT & COMMUNITY

There were no health, safety, environmental or community related matters or incidents recorded during the quarter, or subsequent to the end of the quarter up to the date of issue of this report.

## BUSINESS DEVELOPMENT

### CHINA

#### **JinHong Joint Venture (JV)**

During the quarter under review, the JV received a US\$10 million initial capitalisation payment by Beijing JinHong Investment Co. This capitalisation of the JV allows further progress to be made towards the goal of successfully commercialising keyseam technology in the near term in China.

With initial funding now in place the JV will finalise the assessment of its current shortlist of suitable projects and commence development of the JV commercial demonstration project. Carbon Energy will provide all technical and design services, supervision and training for all JV projects and other agreed required services under the Technical Services Agreement, on a fee for service basis.

During September and October 2016, newly appointed Managing Director Kerry Parker met with the JV and cornerstone shareholder Kam Lung on a number of occasions. Both Carbon Energy and the JV have acknowledged that there have been delays in commencing the demonstration project and both parties are committed to expeditiously setting a new timeline to progress the demonstration project as quickly as possible.

#### **China UCG Research Centre**

During the quarter Carbon Energy staff continued to help establish the plans and research program for China University for Mining and Technology's, International Research Centre for UCG.

The Centre was established earlier this year to encourage the development of UCG technology by industry and government groups alike throughout the whole of China, as the environmentally acceptable utilisation method for coal gasification. The Centre will seek to simplify the regulatory process by establishing national and international standards of operation for UCG and formally seek recognition by government.

The establishment of the Centre is an important step forward in the advancement of Carbon Energy's expansion plans in China. Whilst the Centre is still being fully established, it is currently determining the Centre's physical location on campus, the outline of the research program and conducting assessment of a number of projects suitable for initial trials.

### INDONESIA

#### **Ascot Energy**

During the quarter under review, a Terms Sheet agreement was signed with Ascot Energy Limited to licence the Company's keyseam technology for a proposed 30MW power generation project in Indonesia.

Subject to the parties entering into legally binding licensing and servicing agreements, Carbon Energy will receive the following revenue and royalties as set out in the Term Sheet:

- Ascot Energy to pay a licence fee for each project of US\$10 million in two tranches:

- US\$4 million when funding is secured for the project; and US\$6 million on performance criteria being met in accordance with the licence and services agreements;
- A royalty payment of production of US\$0.30 per MMBTU of syngas; and
- Pre-project services fees.

The project timeline estimates up to 18 months to secure permits and a further 18 months from then to achieve ignition of the first panel.

The partnership opportunity with Ascot Energy in Indonesia is progressing with the recent marketing of the Company's Convertible Note also unlocking potential project finance partners.

### **Other**

Carbon Energy is currently pursuing a number of business development opportunities in Asia, India, South America, and Australia.

## **QUEENSLAND**

### **MOU for a large-scale solar energy plant and storage facility at Bloodwood Creek**

During the quarter ended 30 June 2016, Carbon Energy announced an MOU with Photon Energy to evaluate the development of a large scale solar power generation plant up to 20MW, as well as to investigate the use of the site's existing underground infrastructure to store energy for use during peak energy periods.

This is a positive step for the Bloodwood Creek site and will enable the Company to realise some of the site's potential, while contributing to Queensland and Australia's growing renewable energy needs.

During the quarter Carbon Energy requested and reviewed feasibility plans by Photon on the development of a 20 MW solar farm facility at the Company's Bloodwood Creek site.

Carbon Energy and Photon Energy are seeking to finalise review of Photon's feasibility plans and related land and permitting requirements during the coming quarter.

### **Confirmation of successful completion of the Independent Scientific Panel process in QLD**

On 25 July 2016 the Company announced that it had received confirmation from the Queensland government Chief Scientist, Dr Geoff Garrett that Carbon Energy has satisfactorily completed the key recommendations of the Government appointed Independent Scientific Panel (ISP) into underground coal gasification (UCG).

Dr Garrett, who led the formal peer review process of the ISP, expressly acknowledged Carbon Energy as the only company to meet the recommendations of the ISP. He also recognised that the Company's successful and innovative keyseam technology is different from that of other technologies employed, stating:

*"it is clear that Carbon Energy has contributed to the collective understanding of UCG and the conditions under which the operation is likely to be both safe and successful."*

This acknowledgment from such a senior and well respected Government source will greatly assist in paving the way for expedited commercialisation of the Company's technology in other jurisdictions.

Dr Garrett further confirmed that the ISP report and its key recommendations were accepted by the Queensland Department of Natural Resources & Mines (DNRM).

Dr Garrett also confirms the Company's actions demonstrating safe and effective decommissioning and completing a plan for rehabilitation were independently reviewed by experts appointed by the Department of Environment and Heritage Protection (DEHP).

The acknowledgement comes after 8 years of trials and over a \$150 million investment, having been the primary aim of Company.

Since the Queensland government announced on 18 April 2016 its decision not to allow UCG projects to proceed in Queensland on the Company has held several meetings with Government including the Minister of Natural Resources & Mines as well as other senior government officials. Despite acknowledgement of the effort and progress that Carbon Energy has achieved to date there have been no changes proposed in regards to the proposed legislation of the ban.

Carbon Energy has done everything in its power to seek amendments to the Government’s proposed ban. This has included seeking legal advice from Senior Queens Counsel on the legal options available to the Company.

Environmental sampling of groundwater and measurement of other environmental metrics continues at Bloodwood Creek, following delivery of the Decommissioning Report and Rehabilitation Plan to the Queensland government in FY15.

The Queensland government’s letter, issued by the Chief Scientist, is significant for the Company as it officially recognises the success of Carbon Energy’s keyseam technology in meeting the rigorous assessment parameters set out by the Queensland Government.

**Bloodwood Creek Rehabilitation**

The Company continues to fulfil its environmental obligations in progressing rehabilitation requirements and on-going monitoring at its Bloodwood Creek Site. As verified by independent experts accredited by the Queensland Government, the Bloodwood Creek site requires no active remediation however continued environmental monitoring provides the Company with further assurance and confidence in our successful keyseam technology.

During October 2016, the Director General of Department of Natural Resources and Mines visited the Bloodwood Creek site at the request of the Petroleum and Gas Inspector, who identified Carbon Energy’s rehabilitation activities as world class.



Carbon Energy environmental drilling and rehabilitation activity at Bloodwood Creek October 2016.

**Pacific Road appointed to monetise the Company’s coal assets**

Carbon Energy’s wholly owned subsidiary, Carbon Energy (Operations) Pty Limited (“CEO”), has entered into a letter agreement with Pacific Road Group who will act for and represent CEO in seeking to solicit offers for the sale of CEO’s thermal coal assets located in the Surat Basin of Queensland.

The Company has considered the strategic rationale for retaining its exploration permits for coal and has determined that the tenements no longer form a material part of the Company’s portfolio of assets.

In consideration for the Pacific Road Group securing a buyer or buyers for the tenements, CEO will share the proceeds of the sale with Pacific Road on a 50:50 basis. Pacific Road will not be entitled to any fees or reimbursement of expenses.

## **CORPORATE**

### **CASH MANAGEMENT**

The Company raised a further \$400,000 under the March 2016 rights issue shortfall issuing 30,769,232 new shares on 4 July 2016.

The Company's 2016 Income Tax Return was lodged in late July 2016 with a \$1.4 million Research and Development Tax incentive cash rebate (as expected) received on 16 August 2016.

The Company continues to manage its cash resources prudently as it pursues international and Australian business development opportunities while also progressing the Rehabilitation Plan as outlined in the work plan for the mineral development licence (MDL374), which includes the continuation of the Company's ground water monitoring program. The Company has incurred a number of one off costs associated with refinancing the convertible note, which will also flow into the subsequent quarter.

#### **Option Expiry**

The Company's 443,696,404 listed options (CNXO) exercisable at \$0.05941 each expired on 31 July 2016.

### **CONVERTIBLE NOTE REFINANCING**

On 24 October 2016, the Company announced that its cornerstone investor Kam Lung had agreed to purchase the \$10 million Convertible Note on substantially the same terms as the current note, extended for a further five years.

In a strong show of support for seeing the Company's China Joint Venture progress to commercial production, Kam Lung has agreed to purchase the Convertible Note from the Pacific Road Group.

Kam Lung will purchase the extended Convertible Note from the current holder Pacific Road, with Pacific Road receiving a mix of upfront and deferred cash consideration, including a refinancing fee, amounting to a total of \$10 million in cash consideration.

The negotiation of terms for the purchase of the Convertible Note has followed an extensive marketing program that has been undertaken by PwC Securities and Magma Capital, targeting a large number of potential purchasers in Asia and Europe.

Shareholders will be asked to approve the purchase by Kam Lung from Pacific Road of the extended Convertible Note at this year's Annual General Meeting, to be held in mid-December 2016.

#### **Proposed \$5 million rights issue**

As a condition precedent to Kam Lung acquiring the extended Convertible Note, the Company will secure additional financial support through the completion of a rights issue capital raising that is open to all shareholders, for a minimum amount of \$5 million. Kam Lung has agreed to underwrite the rights issue up to an amount of \$3.5 million.

The rights issue will be priced at 1.2c per share, being a 25% discount to the 90 trading day VWAP and an 8% discount to the 5 day VWAP price.

Attached to every two shares subscribed for will be one listed option, with a strike price of 2.4c and a three year life.

Kam Lung has agreed to underpin the rights issue through the provision of \$3.5 million in underwriting support. Kam Lung's commitment is a further showing of strong support by the Company's largest shareholder. In addition to Kam Lung providing underwriting support to the rights issue, the Company will be seeking to secure further underwriting opportunities from other sources.

The proceeds of the rights issue will be used to pay the costs associated with refinancing the current \$10 million Convertible Note, general working capital to pursue business development opportunities and ongoing commitment to rehabilitating the Bloodwood Creek trial site. It is expected that capital raised, together with the technical service fees to be generated from the JinHong Joint Venture along with other cost reduction initiatives, will provide sufficient cash flow for at least the coming 12 months.

More information regarding the proposed rights issue will be announced following the outcome of the resolution for approval of the purchase of the extended Convertible Note by Kam Lung to be considered by shareholders at the Company's 2016 AGM. The Board will be encouraging all shareholders to support the sale of the Convertible Note and to participate in the rights issue at its upcoming AGM.

## **CARBON ENERGY ANNUAL GENERAL MEETING**

The Company's Annual General Meeting (AGM) will be held at 9.30am Brisbane time on Thursday 15 December 2016 at HopgoodGanim Lawyers, Level 7, Waterfront Place, 1 Eagle Street Brisbane.

Subsequent to the end of the quarter, the Company received approval from the Australian Securities and Investment Corporation (ASIC) for the Company's request for an extension of time to hold its Annual General Meeting for the financial year ended 30 June 2016. Given the anticipated timing for concluding refinancing negotiations, the comprehensive meeting materials that are contemplated and the costs that can be saved by combining the two shareholder meetings, the Company applied to ASIC and ASIC has approved an extension to the period within which the Company must hold its 2016 AGM from 30 November 2016 to 16 December 2016.

The Notice of Meeting, Explanatory Memorandum and all required materials will be sent to shareholders by mid November 2016.

## **EQUITY RESEARCH REPORT**

On 27 October 2016, the Company announced the release of an equity research report on Carbon Energy Limited that had been prepared and released by APP Securities (dated 25 October 2016).

The research report was prepared in connection with the Company's recent announcement relating to the refinancing of the Company's Convertible Note and related underwritten rights issue equity raising.

The report is now available on the Company's website.

The report (along with some additional summary information) is also available on the Pro-Active Investors website at the following link:

<http://www.proactiveinvestors.com.au/companies/news/167950/carbon-energy-ltd-broker-maintains-speculative-buy-167950.html>.

## **EXECUTIVE AND BOARD PERSONNEL**

On 1 September 2016, Mr Kerry Parker commenced in the role of Carbon Energy's Managing Director and Chief Executive Officer.

Kerry is a well regarded executive with a greater than 20 year history of significant contribution to junior resources companies, having held Chief Financial Officer and Managing Director roles in various unlisted and ASX listed resource companies, including those engaged in the energy business. He has had significant experience in the management of Joint Ventures through CH4 Gas, Arrow Energy, Panax Geothermal, Inova Resources, Discovery Metals and Unity Mining, across Australia, India, China, Indonesia, Botswana and Vietnam.

Kerry replaces former CEO Morné Engelbrecht who left the Company on 15 August 2016.

Subsequent to the end of the quarter:

- Non-executive Director (and Pacific Road nominee) Louis Rozman tendered his resignation from the Board; and
- The Company announced that Chairman, Dr Chris Rawlings would retire from the Board at the conclusion of the 2016 AGM. The directors and employees of Carbon Energy would like to sincerely thank Dr Rawlings for his contribution during the period of his Chairmanship.

A handwritten signature in black ink, appearing to read 'Kerry Parker', written in a cursive style.

**Kerry Parker**  
**Managing Director & Chief Executive Officer**

**Friday 28 October 2016**

# TENEMENT STATUS AT 30 SEPTEMBER 2016

Tenement	Status	Area km <sup>2</sup>
MDL 374	Granted	28.68
MLA 50253	Application Pending*	13.43
PFL 6	Renewal Pending**	0.03

\* Application awaiting Environmental Impact Assessment prior to finalisation and assessment

\*\* Renewal submitted March 2015

Tenement	Status	Sub-Blocks	Area km <sup>2</sup>
EPC 867	Renewal Pending <sup>#</sup>	167	509.35
EPC 868	Renewal Pending <sup>#</sup>	44	134.20
EPC 869	Granted	63	192.15
EPC 1132	Granted	23	70.15
<b>Total Eastern Surat Basin Tenements</b>		<b>297</b>	<b>905.85</b>

# Renewal Submitted November 2014

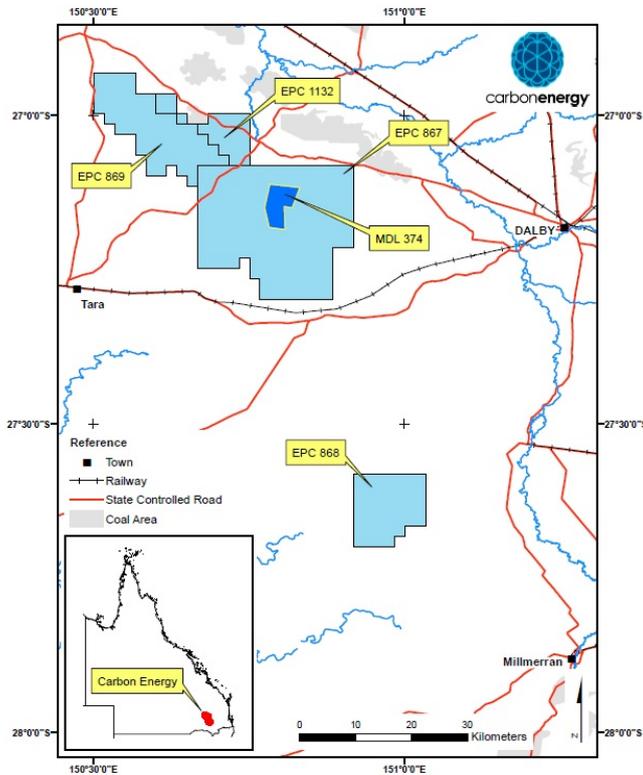


Figure 1 Carbon Energy Coal Tenure Surat Basin

## ISSUED CAPITAL AND SECURITIES ON ISSUE

At the end of quarter under review, Carbon Energy had the following securities on issue:

Listed Ordinary Shares	1,813,428,879
Unlisted Pacific Road Capital Convertible Note options	35,000,000
Unlisted current CNX management options and performance rights	13,300,780
Unlisted former CNX management options	3,276,038

## SHAREHOLDERS

At the end of the quarter under review:

- Carbon Energy has 5,282 shareholders;
- There were 3,182 shareholders who held an un-marketable parcel of shares (based on a share price at the end of the quarter of 0.015 cents per share); and
- The “Top 20” shareholders held approximately 60.79% of the listed shares on issue.

## MAJOR SHAREHOLDERS

SHAREHOLDER	% HOLDING
1. Kam Lung Investment Development Company Limited	28.39%
2. Pacific Road Capital	9.29%
3. Incitec Pivot Limited	4.17%
4. Citicorp Nominees Pty Limited	3.07%
5. BNP Paribas Noms Pty Ltd	1.84%
6. CSIRO	1.56%

## BOARD OF DIRECTORS & MANAGEMENT

### BOARD OF DIRECTORS

Dr Chris Rawlings	Chairman and Non-Executive Director
Mr Kerry Parker	Managing Director & Chief Executive Officer
Dr Helen Garnett	Non-Executive Director
Mr Peter Hogan	Non-Executive Director
Mr Huihai Zhuang	Non-Executive Director
Mr George Su	Alternative Director for Mr Huihai Zhuang

### EXECUTIVE MANAGEMENT

Mr Kerry Parker	Managing Director & Chief Executive Officer
Ms Catherine Costello	Chief Financial Officer & Company Secretary
Dr Cliff Mallett	Technical Director
Mr Stuart MacKenzie	General Counsel
Mr Terry Moore	General Manager Operations

## 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**

Carbon Energy Limited

**ABN**

56 057 552 137

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

30 September 2016

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(420)	(420)
(b) development	-	-
(c) production	-	-
(d) staff costs	(873)	(873)
(e) administration and corporate costs	(705)	(705)
1.3 Dividends received (see note 3)		
1.4 Interest received	17	17
1.5 Interest and other costs of finance paid	(2)	(2)
1.6 Income taxes paid	-	-
1.7 Research and development refunds	1,384	1,384
1.8 Other (provide details if material)	26	26
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(570)</b>	<b>(570)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(69)	(69)
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	(13)	(13)

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(82)</b>	<b>(82)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	400	400
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	(21)	(21)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	(35)	(35)
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>344</b>	<b>344</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 period	2,208	2,208
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(570)	(570)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(82)	(82)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	344	344
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>1,900</b>	<b>1,900</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	100	258
5.2 Call deposits	1,800	1,950
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,900</b>	<b>2,208</b>

6. <b>Payments to directors of the entity and their associates</b>	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	67
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	

Costs included in item 6.1 above relate to' salaries, annual leave, fees and superannuation.

7. <b>Payments to related entities of the entity and their associates</b>	Current quarter \$A'000
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	

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

<b>8. Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
8.1 Loan facilities	10,000	10,000
8.2 Credit standby arrangements	344	240
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.		

The Company has a \$10 million Convertible Note Facility ("Facility") with the Pacific Road Group. The Facility is secured by a mortgage over the UCG technology and software transferred from CSIRO to Carbon Energy and 100% of the shares in Carbon Energy (Operations) Pty Limited, the subsidiary that owns the UCG technology and software transferred from the CSIRO. This entity also has the rights and obligations regarding the JinHong JV. The interest rate on the Facility is 5% per annum, payable in equity, 3 months in arrears. The Facility is to be repaid on 18 January 2017, less than 12 months from the date of signing the Quarterly Report.

<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Exploration and evaluation	267
9.2 Development	-
9.3 Production	-
9.4 Staff costs	594
9.5 Administration and corporate costs	538
9.6 Other (provide details if material)	-
<b>9.7 Total estimated cash outflows</b>	<b>1,399</b>

<b>10. Changes in tenements (items 2.1(b) and 2.2(b) above)</b>	<b>Tenement reference and location</b>	<b>Nature of interest</b>	<b>Interest at beginning of quarter</b>	<b>Interest at end of quarter</b>
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:



(Company Secretary)

Date: 28 October 2016

Print name: Catherine Costello

### 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.