

19 January, 2021

Quarterly Activities Report - Period Ended 31 December 2020

- **KGL's Jervois Copper Project advances to full Feasibility Study and Project Financing stage after**
 - **positive Pre-Feasibility Study and**
 - **Government approval of mining plan**
- **Rising world copper price responds to strong short term market demand and long term growth outlook**

KGL Resources Limited (ASX:KGL) (KGL or the Company) advanced the 100% owned Jervois Copper Project in the Northern Territory to the full Feasibility Study (FS) and Project Financing stage during the quarter.

This follows the finding of the Pre-Feasibility Study (PFS) that Jervois will support a robust mining operation, and the Northern Territory Government's approval of the Jervois Mining Management Plan, the final outstanding development approval for the project.

KGL has announced:

1. The **results of the Pre-Feasibility Study**, including:
 - Initial production of 30,000 tonnes per year copper in concentrate plus silver and gold
 - Pre-tax NPV \$177M; IRR 23.1%; capital payback 38 months
 - The JORC Reserve at Jervois that underpins the PFS
2. KGL Board approval to **progress to the Feasibility Study stage**, given the results of the PFS and the known opportunities to enhance the project. The study is being run in conjunction with project financing discussions.
3. The **NT Government's approval of the Jervois Mining Management Plan**, following a comprehensive assessment process for Jervois.

KGL Chairman Mr Denis Wood said the Company was well advanced with the Feasibility Study.

"We are delighted with the results of the PFS – they demonstrate that the Jervois Project will support a robust initial mining operation.

"Importantly, we view the PFS as a starting point only.

"Alongside the work on the FS, Jervois has attracted interest in project financing with encouraging discussions being had.

"This year the team at KGL aims to enhance the quality and size of the resource with the intent of extending the mine life to a minimum 10 years and further improve the project economics.

"The landmark approval of the Mining Management Plan provides the major outstanding regulatory clearance for Jervois," he said.

Mr Wood said the significant increase in the copper price during the quarter was a positive indicator as KGL planned the development of Jervois.

"There's clearly a sustained strengthening of the copper market which is forecast to extend into the period when Jervois is expected to be in initial production," he said.

1. The PFS outcome – a robust initial mining operation

The Jervois PFS demonstrates:

-) the potential to develop an initial 7.5 year operation primarily focused on the copper rich ore to produce 222 kt of copper metal (with 6.7 Moz silver and 64 koz gold by-products) in concentrate, and
-) attractive financial returns with a pre-tax NPV (8% real) of A\$177M and pre-tax IRR of 23.1% with a total investment of pre-production capital of A\$200M – based on a forecast copper price of US\$3.08/lb (currently approx. US\$3.61/lb) and exchange rate of 0.71 AUD:USD (currently approx. 0.77), Jervois will generate significant annual EBITDA.

The initial mine plan is largely based on the JORC Mineral Reserve of 9.4 Mt at 2.41% Cu, 32.9 g/t Ag and 0.39 g/t Au from open pit mining at the Reward and Bellbird deposits as well as underground operations via declines at the Reward, Bellbird and Rockface deposits. The scheduling will be further optimised during the FS.

Under the PFS, concentrate will go by road to Alice Springs and then by rail to Adelaide for export (export through Darwin is being reassessed during the current Feasibility Study).

An estimated 320 people will be employed during the construction phase and 300 during operations.

Key Highlights Pre-Feasibility Study

Ore Reserve

-) JORC Probable Reserve of 9.4 Mt at 2.41% Cu, 32.9 g/t Ag and 0.39 g/t Au.

Strong Financial Returns

-) Pre-tax NPV of A\$177m and IRR of 23.1% based on initial 7.5 year mine life.
-) Capital payback of 38 months.

Competitive Capex and Low Cost Operations

-) Pre-production capital of A\$200m¹ (US\$142m).
-) Life of Mine (LOM) unit cash costs of operations of US\$1.60/lb.
-) LOM AISC² of US\$2.25/lb.

Physical Parameters

-) Processing 1.6 Mtpa at 2.2% Cu (mean Cu head grade).
-) Average annual production of 30,000 t Cu, 893,000 oz Ag and 8,600 oz Au.
-) Mining inventory comprises 83% Ore Reserves and 17% Inferred Mineral Resources.
-) Initial mine life of 7.5 years.
-) Current focus is copper-silver-gold production from indicated resources rather than to expand or develop known lead and zinc resources.

Significant Upside Potential from Initial Mine Plan

-) Mine plan based currently on only 11.3 Mt of Mineralised Material representing only 54% from Total Resource of 20.97 Mt.
-) Focus for FS is to increase LOM which KGL is confident can be achieved through drilling targeted to upgrade Inferred Resources (currently 44% of Total Resources) as well as extensional drilling to the existing Reward, Rockface and Bellbird Resources with additional targets already identified.

Next Steps

-) Advance to Feasibility Study stage.
-) Restart drilling program to identify additional Resources/Reserves to facilitate a minimum 10 year mine life.
-) Cost optimisation, including evaluating shipment from the Port of Darwin.

¹Excluding working capital requirement.

²AISC is All In Sustaining Costs, and includes C1 cost, corporate costs, sustaining capex and open cut and underground capital development.

2. Feasibility Study under way along with Project financing discussions

Based on the positive results of the PFS, the Board approved proceeding to the FS which is now being undertaken alongside the Project financing discussions.

Work on the Feasibility Study is well advanced, some inputs already having been covered in the PFS stage.

The attractive operational and financial features of the PFS have stimulated the interest of project finance facilitators and potential investors. The Company has actively initiated contact with potential sources of project funding and discussions with interested parties are now ongoing. Interest has been enhanced by the possibility of early upgrading of resources from imminent further drilling and the potential for resource extensions longer term.

The PFS mine plan is based on the mining of little more than half of the currently identified resource of Jervois. A drill rig will be on site this month for a drilling program designed both to upgrade these existing resources and to delineate additional resources. If proven, this will extend the mine life and optimise the timing of capital expenditure associated with the development of each deposit, delivering improved financial returns from those in the PFS.

Beyond the initial mine developments in the PFS and the prioritised high grade extensions now being pursued, KGL has several high potential sites identified by the Company's advanced understanding of the geological structures and state-of-the-art exploration on the Jervois and adjoining Unca Creek tenements.

3. NT Government approves Mining Management Plan

On 7 January 2021, the Northern Territory Minister for Mining and Industry, the Hon Nicole Manison, announced approval of the Jervois Project's Mining Management Plan.

Ms Manison described the decision as a massive win for the NT economy and local jobs.

The KGL Chairman Mr Denis Wood welcomed the decision as the major outstanding approval required prior to the Jervois Project's development. He said that the Company's current project planning took into account the conditions attached to the Government response, so that the landmark approval provided an essential clearance for Jervois.

The approval completed a comprehensive assessment process for Jervois. Following the Company's Environmental Impact Assessment (EIA), the NT Environmental Authority recommended in October 2019 that the Government approve the project for development. The Company submitted the Mining Management Plan to the Government in April 2020, received Government comments in August and provided updated documentation in September 2020, leading to this month's positive decision by the Government.



Northern Territory Minister for Mining and Industry, the Hon Nicole Manison, with KGL Chairman Denis Wood in the Northern Territory Geological Survey (NTGS) core library in Darwin on 7 January 2021 following the announcement of Government approval of the Jervois Project's Mining Management Plan.

Well timed to enter world copper market

KGL believes that the current schedule of progressing Jervois with the FS this year, followed potentially by development, is ideally timed given the recent strengthening of the copper market with the price at seven year highs. After slumping in March at the onset of the COVID-19 pandemic, the price rose 72% to reach a seven-year high of US\$7968/t (US\$3.61/lb) on 18 December and rose further in the new year to US\$8129 (US\$3.69/lb) on 6 January.

In the medium term, copper demand is expected to increase, stimulated by COVID-19 driven government spending programs.

Among recent forecasts, investment bank Goldman Sachs analysts raised their 12-month forecast for the copper price to US\$9,500/t and predicted it was highly probable that the price would test the all-time record of US\$10,170 by the first half of 2022¹.

The long term fundamentals of copper point to strengthening prices in the face of chronic supply deficits. Demand will be increased by the traditional applications of construction, electricity transmission, communications and consumer goods together with new uses in green energy and electric vehicles as the world transitions to a lower carbon economy.

-) Bloomberg NEF was reported recently as forecasting that a doubling of annual global production to 40 million tonnes will be required in the next 20 years to meet demand for copper².
-) Similarly, leading commodities trader Trafigura forecast the annual demand for mined copper would increase by 10 million tonnes to 33.3 million tonnes in the next 10 years, but only half the required supply could be identified. Supply will continue to be constrained by continuing declines in ore grade and low levels of exploration success, resulting in increases in production costs and the copper price.³

Here is a round-up of recent commentary:

Goldman Sachs recently made a call that copper is heading into a long term structural bull market.⁴

Jefferies Research LLC recently concluded: "The copper market is heading into a multi-year period of deficits and high demand from deployment of renewable energy and electric vehicles. Secular demand driver in copper is electric passenger vehicles as the average EV is about four times as copper intensive as the average ICE (internal combustion engine) automobile. Renewable power systems are at least five times more copper intensive than conventional power."⁵

According to Bloomberg NEF, there are currently about 7 million electric vehicles (EV's) in the world today. By 2040, they estimate around 30% of the world's passenger cars will be electric. It means 500 million EV's will be on the road in 20 years' time, out of a total vehicle fleet of 1.6 billion. If each EV contains 85 kg of copper, that is 42,500,000,000 kg or 42,500,000 tonnes of copper, roughly twice the current volume of copper produced by all of the world's copper mines.⁶

In China, the world's biggest auto market, the goal is for electric vehicles to make up 50% of all new car sales by 2035.

President-elect Joe Biden is now promising to build 550,000 EV charging stations and create over 1 million jobs by investing in clean energy research over the next few years. To put this into perspective, in March 2020 the U.S. had approximately 78,500 charging outlets and almost 25,000 charging stations for plug-in electric vehicles.

According to Reuters, the effort is part of Biden's plan to eclipse China in EV production and develop the right green policies. In addition to the EV charging stations, Biden also promised during his campaign before the election to help the US compete with China on EV's as part of a US\$2 trillion plan to fight climate change.

¹ Mining Journal 22/12/2020

² Mining.com 06/12/2020

³ Mining Journal/Resource Stocks 22/12/2020

⁴ Mining.com 06/12/2020

⁵ Mining.com 06/12/2020

⁶ Mining.com. 06/12/2020

Biden is planning to put America on a path to achieve a carbon-pollution free electricity sector by 2035.⁷

Roskil forecasts total copper consumption will exceed 43 million tonnes by 2035, driven by population and GDP growth urbanisation and electricity demand. Total world mine production in 2019 was 20 million tonnes. In many countries it can take up to 20 years to go from discovery through permitting to mining.⁸

Without new capital investments, Commodities Research Unit (CRU) predicts global copper mined production will drop from the current 20 million tonnes to below 12 mt by 2034, leading to a supply shortfall of more than 15 mt. Over 200 copper mines are expected to run out of ore before 2035, with not enough new mines in the pipeline to take their place.⁹

Glencore CEO Ivan Glasenberg told a recent Glencore Investment Day briefing that the massive growth in demand for energy metals over the next 30 years was going to be very difficult to achieve. He noted that miners were going to have to lift annual production to 60 million tonnes a year by 2050, an increase of more than 1 million tonnes a year, to meet demand.¹⁰

Recently copper prices hit a 7 year high of around US\$8,000/t (US\$3.63/lb) on the strength of Chinese manufacturing and construction expanding at its fastest in a decade, US stimulus talk and green-inspired reflation spending plans.

Unlike the previous super-cycle, which depended on China, Goldman Sachs says the next structural bull market will be driven by spending on green energy, for which copper is a key ingredient.

"Spending on green infrastructure could be as significant as the BRIC (Brazil-Russia-India-China) investment boom of that decade while the redistributive push in developed markets is likely to lead to a large boost to consumer spending, comparable to the lending-fuelled consumption increase in the 2000's."¹¹

Outlook

Work on the FS and Project financing will continue during the current (March 2021) quarter.

The Company will draw the project to the attention of potential investors of capital and continue discussions with parties currently interested in providing project finance.

A drill rig is due to return to site in January. Preparations are under way to target selected Inferred Resources at Reward, Bellbird and Rockface to upgrade confidence levels, as well as high potential mineralised extensions. Drilling will start as soon as possible subject to the wet season and will be in accordance with policies and procedures developed in response to COVID-19. The results will be fed into mine planning with the intent of increasing and improving the quality of Reserves, extending initial mine life to a minimum of 10 years and further improving financial returns.

⁷ Mining.com 06/12/2020/ Reuters 17/12/2020

⁸ Mining.com 06/12/2020

⁹ Mining.com 06/12/2020

¹⁰ Northern Miner 23/12/2020

¹¹ Mining.com. 06/12/2020

Table 1: Cu-Ag-Au Ore Reserves

Jervois Project Reserves							
	Mt	Cu %	Cu kt	Ag g/t	Ag koz	Au g/t	Au koz
Reward OC	2.6	1.90	50.0	43.5	3,670	0.48	40.9
Bellbird OC	1.6	1.7	27.8	9.6	485	0.1	4.7
Sub-total OC	4.3	1.83	77.7	31.4	4,156	0.34	45.5
Rockface UG	1.8	3.74	68.5	21.5	1,227	0.28	15.9
Reward UG	2.9	2.27	64.8	44.0	3,907	0.56	49.5
Bellbird UG	0.4	3.55	15.0	23.1	304	0.18	2.4
Sub Total UG	5.1	2.90	148.3	34.2	5,438	0.43	67.9
Total	9.4	2.41	226.0	32.9	9,593	0.39	113.4

Table 2: Project Resource Summary

Deposit part	Deposit	Category	Mt	Cu %	Cu kt	Ag g/t	Ag Moz	Au g/t	Au koz
Open Cut Potential > 0.5 % Cu	Reward	Indicated	3.34	1.86	62.2	41.8	4.49	0.44	47.5
		Inferred	0.76	0.93	7.0	9.5	0.23	0.06	1.4
	Bellbird	Indicated	1.33	3.08	40.9	17.4	0.74	0.23	9.8
		Inferred	1.40	1.19	16.6	9.1	0.41	0.10	4.5
	Sub Total		6.82	1.86	126.7	26.8	5.87	0.29	63.2
Underground Potential > 1 % Cu	Reward	Indicated	3.69	2.22	81.8	42.8	5.07	0.51	60.2
		Inferred	3.50	1.48	51.7	26.8	3.01	0.18	20.7
	Rockface	Indicated	2.45	3.54	86.8	19.8	1.56	0.25	20.0
		Inferred	0.84	2.07	17.5	15.6	0.42	0.18	5.0
	Bellbird	Indicated	0.34	3.52	11.9	22.4	0.24	0.18	2.0
		Inferred	1.43	2.36	33.7	16.6	0.76	0.10	4.6
	Sub Total		12.25	2.31	283.4	28.1	11.06	0.29	112.5
Cu-Ag-Au Resources	Total		19.07	2.15	410.1	27.6	16.94	0.29	175.7

Pb/Zn Resources	Reward South	Indicated	0.50	0.99	5.1	64.0	1.06		
>0.3% Cu		Inferred	1.40	0.81	11.1	78.0	3.44		
	Pb/Zn Total		1.90	0.86	16.2	74.2	4.50		

All Resources¹		Indicated	11.65	2.48	288.7	35.1	13.20		139.4
		Inferred	9.33	1.48	137.6	27.8	8.23		36.1
	Total		20.97	2.03	426.2	31.82	21.44		175.7

Tenements

Tenement Number	Location	Beneficial Holding
ML 30180	Jervois Project, Northern Territory	100%
ML 30182	Jervois Project, Northern Territory	100%
ML30829	Jervois Project, Northern Territory	100%
EL 25429	Jervois Project, Northern Territory	100%
EL 30242	Jervois Project, Northern Territory	100%
E28340	Yambah, Northern Territory	100%
E28271	Yambah, Northern Territory	100%
EL28082	Unca Creek, Northern Territory	100%
ML 32277	Lucy Creek Borefield, Northern Territory	100%

Mining Tenements Acquired/Granted and Disposed during the quarter*	Location	Beneficial Holding
Nil		

Tenements subject to farm- in or farm-out agreements	Location	Beneficial Holding
Nil		

Tenements subject to farm- in or farm-out agreements acquired or disposed of during the quarter	Location	Beneficial Holding
Nil		

Transaction with related parties

As reported in the quarterly cash flow report part 6.1, amounts paid to related parties of \$65k consist of directors' fees and expenses for the quarter.

This announcement is authorised by the Board of Directors.

JORC Compliance Statement

The Jervois Resources information were first released to the market on 15/09/20 and complies with JORC 2012. The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

The data in this report that relates to the 2015 Reward South Resource was first released to the market on 29/07/2015 (then named Green Parrot) and complies with JORC 2012. The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

The information contained in this release that relates to the Jervois Ore Reserves Estimate was first released to the market on 2 December 2020 complies with JORC 2012 and was compiled by Mr Iain Ross, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Ross is a full-time employee of Xenith Consulting. Mr Ross has sufficient experience that is relevant to the style of mineralisation and type of deposit described in the release to qualify as a Competent Person as defined by the JORC Code, 2012 Edition. The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Appendix 5B

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

Name of entity

KGL Resources Limited

ABN

52 082 658 080

Quarter ended ("current quarter")

31 December 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 – GST receipts	73	378
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(137)	(570)
	(e) administration and corporate costs	(205)	(1,027)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	10	38
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives – Cash flow boost	25	200
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	(234)	(981)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	(21)
	(d) exploration & evaluation	(838)	(4,525)
	(e) investments	-	-
	(f) other non-current assets	-	-

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 – refund of security deposits	-	366
2.6	Net cash from / (used in) investing activities	(838)	(4,180)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	3,829
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	(14)	(126)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings – lease payments	(24)	(105)
3.7	Transaction costs related to loans and borrowings – lease interest	2	(4)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	(36)	3,594

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	6,266	6,725
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(234)	(981)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(838)	(4,180)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(36)	3,594

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	5,158	5,158

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	404	762
5.2	Call deposits	4,754	5,504
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)	5,158	6,266

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	65
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>		

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 \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
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.		
	N/a		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(234)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(838)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(1,072)
8.4	Cash and cash equivalents at quarter end (item 4.6)	5,158
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	5,158
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	4.8
	<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: N/a	
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: N/a	

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

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: N/a

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: 19 January 2021.....

Authorised by: . Kylie Anderson on behalf of the Board

(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.