

ASX Announcement (ASX: NRZ)

23 January 2024



Amended Appendix 5B

NeuRizer Ltd (the Company) provides the following information in relation to the attached amended Appendix 5B.

The Company has amended sections 7 and 8 of the Appendix 5B by removing the Financing Facility of \$5m. The Company stated that this was contingent on the agreement of the investor. After discussion with the ASX it was determined to remove this from section 7 due to it being conditional. The Company notes that there have been no changes to the agreement with the investor in relation to this optional placement of \$5m.

The removal from section 7 results in a change to section 8, and in particular the Company notes its responses to question 8.8 of the Appendix 5B.

The Board confirms that the Company is solvent, and considers the following factors as necessary for the Company to continue as a going concern:

- Short term deferral of amounts owing to DL E&C Co., Ltd in relation to the NeuRizer Urea Project (NRUP).
- The ability and expectation that the Company can raise additional debt or equity of the quantum required to settle amounts payable when due, and fund continued progression of the NRUP and other project development. This is necessary as the previously stated strategic partner discussions have not completed favourably. However, the Company will continue to engage with new potential strategic partners.

The Directors consider there are reasonable grounds to believe that the Company will be able to achieve the matters set out above and that it is appropriate to continue on a going concern basis.

In particular, the Company is working on finalising both the sale or sale and leaseback of particular assets, and a new debt facility in order to provide further funding. The Company will also continue to reduce overheads where possible. The Company is also continuing to negotiate with DL E&C regarding the timing of any amounts owing to DL E&C.

Whilst the Company is reviewing the timelines and approvals process for the NRUP, it is also pursuing conversations with alternate strategic partners, and evaluation of its projects in China with Meijin Energy Investments.

The NeuRizer Board has authorised this announcement for release to the ASX.

Further Information

Investor Relations

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Appendix 5B

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

Name of entity

NEURIZER LTD

ABN

31 107 531 822

Quarter ended ("current quarter")

December 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation		
(b) development		
(c) production		
(d) staff costs	(507)	(1,278)
(e) administration and corporate costs	(374)	(788)
1.3 Dividends received (see note 3)		
1.4 Interest received	11	16
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	(870)	(2,050)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities		
(b) tenements		
(c) property, plant and equipment		
(d) exploration & evaluation	(888)	(1,564)
(e) investments		
(f) other non-current assets		

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
2.2 Proceeds from the disposal of:		
(a) entities		
(b) tenements		
(c) property, plant and equipment	17	17
(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 – R&D rebate received	3,050	3,050
2.6 Net cash from / (used in) investing activities	2,179	1,503

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	1,722	2,722
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	(242)	(248)
3.5 Proceeds from borrowings		
3.6 Repayment of borrowings	(2,100)	(2,100)
3.7 Transaction costs related to loans and borrowings	(190)	(190)
3.8 Dividends paid		
3.9 Other (provide details if material)		
3.10 Net cash from / (used in) financing activities	(810)	184

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	348	1,210
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(870)	(2,050)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	2,179	1,503
4.4 Net cash from / (used in) financing activities (item 3.10 above)	(810)	184

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 (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	847	847

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	847	348
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)	847	348

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	222
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

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.

Explanation:

Executive and Non-Executive Directors fees.

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

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		
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.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(870)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(888)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(1,758)
8.4 Cash and cash equivalents at quarter end (item 4.6)	847
8.5 Unused finance facilities available at quarter end (item 7.5)	
8.6 Total available funding (item 8.4 + item 8.5)	847
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	0.482
<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?	
The Company has been reducing total outgoings and intends to continue to reduce its overheads.	
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?	
Yes. The Company is in discussion on the sale of some assets and is also holding discussions with our largest shareholders regarding a new debt facility. We anticipate completing one or both options shortly.	
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?	
Yes. On the basis of further reducing costs and selling assets or obtaining a debt facility.	
<i>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.</i>	

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: 23 January 2024

Authorised by: By 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 – e.g., 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.