

## Quarterly Activities Report 2Q24

Referring to the Quarterly Activities Report and Appendix 4C lodged on 31 January 2024 Aquirian Limited wishes to advise that the incorrect end quarter date was referenced on the first page of the Quarterly Activities Report.

The attached Quarterly Activities Report and Appendix 4C have the revised date of 31 December 2023.

-ENDS-

This announcement has been approved for release by the Managing Director of the Company

### Investor Enquiries

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### About Aquirian

Aquirian is an emerging specialist mining services company providing people, equipment and innovative products that support mining clients across their operations.

The Company has a strong national and international presence with reputable, in-house capabilities and, through its extensive, in-depth relationships built up over many years of working in mining services locally and globally, it has attracted and maintained a long-term, tier-one client base. It provides specialised **People Services** (training, labour, recruitment), and **Mining Services** (equipment leasing, maintenance & repair, engineering services, drill and blast products and onsite field services) to the mining and resources, and civil and defence sectors in Australia and internationally.



## Quarterly Activities Report

For the period ending 31 December 2023

### Highlights

- Revenue of **\$6.0 million<sup>1</sup> down 13.5%** on PCP
- EBITDA<sup>2</sup> of **\$1.3 million<sup>1</sup> up 15.7%** on PCP
- Positive Operating Cashflow of **\$2.0 million<sup>1</sup>**
- Net debt **reduced to \$0.8 million**
- Cash and cash equivalents **increased by \$1 million to a \$4.5 million<sup>1</sup>**
- First Quantum Minerals signs a **2-year contract extension** for our Collar Keeper® System
- **Successful field trial** of the Collar Keeper® automated system
- **Wubin** licencing is submitted, and restart systems testing is underway

Diversified mining services provider Aquirian Limited (**ASX: AQN**) ('Aquirian' or 'the Company') is pleased to report its quarterly activities for the three months to 31 December 2023.

Total revenue for the period was \$6,047,631<sup>1</sup> a 13.5% decrease, while EBITDA<sup>2</sup> increased 15.7% to \$1,326,038<sup>1</sup> on the previous corresponding period. The Company's balance sheet remains strong, with net assets of \$12.4 million<sup>1</sup>.

Operating cash flow of \$2.0 million<sup>1</sup>, was a 41.7% increase on the last quarter, with the Company's cash and cash equivalents increasing by \$1.0 million to \$4.5 million<sup>1</sup> and total debt reduced by \$0.9 million, with net debt of \$0.8 million<sup>1</sup>.

### **Managing Director - David Kelly commented:**

"This was a significant quarter for Aquirian, and I wish to acknowledge our team for their efforts in driving positive outcomes for our customers and the company. Operationally, we continue to provide solutions for our customers that lead to improved efficiency and cost reductions. The automated field trial of Collar Keeper® System advances the development of a Bootless Bench®, and we are confident this will be transformational for our customers. I am delighted with the progress of licensing the Wubin Emulsion plant and the system testing. I anticipate the financial completion settlement to follow the licensing closely, and I look forward to updating investors in the near term."

<sup>1</sup> Unaudited financial results

<sup>2</sup> EBITDA refers to earnings before interest, taxation, depreciation and amortisation costs.



The Company recently deployed a prototype of the Automated Collar Keeper® System on an Epiroc T45 drill rig for field testing in a Perth quarry. The system performed exceptionally well, delivering close to 40 quality blast holes, allowing the drill operator to complete all tasks while remaining in the cab.

No significant issues were identified during testing; however, the trial provided several lessons for our in-house technical team, which will incorporate these findings into a production-ready model.

Completing all operations within the drill rig is significant progress toward allowing complete automation of these drill rigs, significantly improving efficiency and cost for our customers and aligning it with our Bootless Bench® aspirations.



The Company sincerely thanks our long-term customer, Macmahon Holdings Limited (ASX:MAH), who provided their drill rig for the test period.

This month, the company entered a two-year contract with First Quantum Minerals at their Trident operations in Zambia to provide the Collar Keeper® System, including joint on-site system support.

## Wubin Emulsion Plant

The Company submitted the licencing transfer application for the Wubin Emulsion Plant in December, and licencing is expected to be granted by mid-late 3Q24. The financial transaction is anticipated to be completed shortly after the licences are issued.

The Company continues to have a small on-site team completing care and maintenance tasks and preparing for re-start. Several systems suppliers have been to the site, and restart plans are advancing for the entire facility. The seller (Hanwha) has agreed that the Company can restart and test some critical systems before financial completion occurs; this is expected to reduce the original production restart time for the facility post-financial completion.

There has been significant interest in Wubin, with several customers attending the facility and expressing interest in toll manufacturing, product supply, and storage. Logistics providers are also considering opportunities to utilise some of the available land.

## Operational

Overall, the Mining Services division had a steady quarter. However, the products and technology team delivered a strong quarter, with strong sales from products and some favourable sales timing from 3Q24. The Collar Keeper® System continues to gain traction with the business development team, engaging multiple customers to commence trials this coming quarter throughout Western Australia.

The opencut rental fleet continued to have high utilisation. However, demand was subdued across the underground rental fleet, particularly later in the quarter. The company expects this reduced demand for the underground fleet to continue throughout 3Q24.

Energetics storage manufacturing continued to experience strong demand and has a solid order book for the 3Q24 and beyond.

Heavy equipment services continued to underperform. The Company continues to implement actions associated with the strategic review of the viability of the main workshop, which has resulted in several redundancies to date. The engineering workshop and the field service team continue as normal, and the Company is looking to expand on these services.

The **People Services** division performed reasonably, with recruitment experiencing slower demand, particularly later in the quarter, exacerbated by labour availability. Labour availability remains the biggest challenge to growth for these businesses. The Company has seen demand return solidly in the new year.

Training experienced consistent demand for classroom and onsite services.

## Corporate

The Company remains in a sound financial position with cash and cash equivalents of \$4.5 million<sup>1</sup>.

Aquirian made operating activity payments of \$129,118 to related parties and their associates during the quarter. These payments relate to the remuneration agreement for the Managing Director, Executive Director, and Non-Executive Directors. In addition, the Company made investing activity payments of \$73,503 to related parties in relation to the Executive Director's remuneration agreement concerning the development of the Collar Keeper® System.

-ENDS-

This announcement has been approved for release by the Managing Director of the Company.

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## Appendix 4C

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

**Name of entity**

AQUIRIAN LIMITED
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**ABN**

634 457 506
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**Quarter ended ("current quarter")**

31 December 2023
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<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	7,251	15,627
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(2,481)	(6,226)
(c) advertising and marketing	(13)	(25)
(d) leased assets	(97)	(197)
(e) staff costs	(2,110)	(4,612)
(f) administration and corporate costs	(461)	(958)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid	(93)	(203)
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>1,997</b>	<b>3,407</b>

<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(799)	(1,215)
	(d) investments	-	-
	(e) intellectual property	(216)	(498)
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	965	965
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) 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>(50)</b>	<b>(748)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
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	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(914)	(1,523)
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>(914)</b>	<b>(1,523)</b>

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

<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	3,425	3,322
4.2	Net cash from / (used in) operating activities (item 1.9 above)	1,997	3,407
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(50)	(748)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(914)	(1,523)
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>4,458</b>	<b>4,458</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 \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	4,458	3,425
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>4,458</b>	<b>3,425</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	129
6.2	Aggregate amount of payments to related parties and their associates included in item 2	74

*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.*

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<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	9,783	5,487
7.2 Credit standby arrangements		
7.3 Other (please specify)		
<b>7.4 Total financing facilities</b>	<b>9,783</b>	<b>5,487</b>
<b>7.5 Unused financing facilities available at quarter end</b>		<b>4,297</b>
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.		
<p>Loan Facilities</p> <ol style="list-style-type: none"> <li>1. A finance facility of \$7.5 million is held with the National Australia Bank and relates to equipment financing at various terms and rates. Terms range up to 60 months and interest rates range from 2.6% - 6.8%. The facility is secured via a registered GSA over the equipment purchased under their relevant agreements, and additionally the Aquirian Group (Group) provides a general security agreement in respect to the Group's existing and future assets.</li> <li>2. A long-term bank loan with the National Australia Bank as part of the acquisition of the Maglok Australia business. The loan bears a floating interest rate in line with the business lending rate, plus a margin of 2.15%. The loan is secured by a GSA over the Group's existing and future assets. The loan is repayable in quarterly instalments until it's expiry in October 2025.</li> <li>3. A long-term bank loan with the National Australia Bank for the acquisition of the Cybem Mechanical Services business. The loan bears a floating interest rate in line with the business lending rate, plus a margin of 2.15%. The loan is secured by a GSA over the Group's existing and future assets. The loan is repayable in quarterly instalments until it's expiry in April 2027</li> </ol>		
<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>	
8.1 Net cash from / (used in) operating activities (item 1.9)	1,997	
8.2 Cash and cash equivalents at quarter end (item 4.6)	4,458	
8.3 Unused finance facilities available at quarter end (item 7.5)	4,297	
8.4 Total available funding (item 8.2 + item 8.3)	8,754	
<b>8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	<b>N/A</b>	
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>		
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:		
8.6.1 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		

8.6.2 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

8.6.3 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 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 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<sup>st</sup> 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 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 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.
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.