



# QUARTERLY REPORT

December 2020

## SALE OF 25% OF ALTECH INDUSTRIES GERMANY FOR A\$8.3 MILLION FINALISED

- Sale of 25% of Altech's Germany subsidiary (AIG) finalised
- Acquired by Frankfurt Stock Exchange listed Altech Advanced Materials AG
- €5.0 million (A\$8.3 million) payable over 3 years
- Initial €250,000 cash consideration received
- AIG has the rights to use Altech's HPA manufacturing technology

## ALTECH COMMENCES LISTED GREEN BOND OFFERING PROCESS

- Definitive execution program for a listed green bond offering
- Structure and proposed US\$144m offer size plus key terms agreed
- Work program is now proceeding

## CONFIRMATION OF HPA GRAPHITE PARTICLE COATING TECHNOLOGY

- Successful graphite coating technology demonstration
- Curtin University & University of Western Australia
- New product development targeting lithium-ion battery anode
- Specially designed formulation and coating process
- Potential improvements to lithium-ion battery life, capacity and chargeability

## \$14.5 MILLION RAISED FROM SUCCESSFUL RIGHTS ISSUE

- Two new shares at \$0.04 each for every five shares held by Altech shareholders
- Plus one free attaching option for each two new shares subscribed

- \$12.6 million raised (before costs) from existing shareholders
- An additional \$1.9 million via placement of shortfall in January 2021

## COMMENCEMENT OF ALTECH GRAPHITE COATED BATTERY PERFORMANCE TESTING

- Battery performance testing has commenced
- Specially designed formulation and coating process
- Potential improvements to lithium-ion battery life, capacity and chargeability

## RESULTS OF ANNUAL GENERAL MEETING ON 27 NOVEMBER 2020

- Company's Annual General Meeting was held on 27 November 2020
- All resolutions put to shareholders were carried on a poll

## ALTECH ADVANCED MATERIALS UPDATE

- Extended option agreement to acquire up to 49% of Altech's HPA project to 1 July 2021
- Completed the acquisition of a 25% interest in Altech Industries Germany GmbH
- Appointment of Iggy Tan and Uwe Ahrens to management board extended to end of 2021

## TERMINATION OF SMI FUNDING

- Agreement terminated by mutual consent following successful \$14.5 million rights issue
- No further funding provided by SMI
- All shares now issued under the agreement

# Quarterly Report

## December 2020

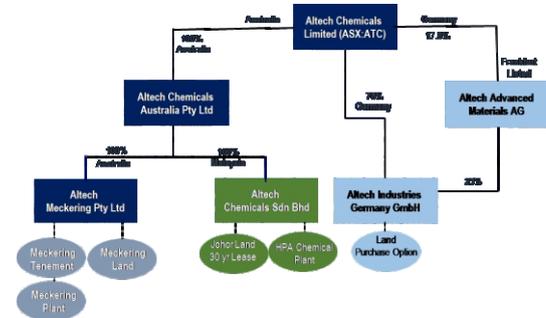
### SALE OF 25% OF ALTECH INDUSTRIES GERMANY FOR A\$8.3 MILLION FINALISED

On 23 October 2020, Altech announced that it had executed a Memorandum of Understanding (MOU) with Frankfurt Stock Exchange listed Altech Advanced Materials AG (AAM), for AAM to acquire 25% of the shares of AIG for €5.0 million (~A\$ 8.3 million), with Altech to retain ownership of the remaining 75% of AIG. Consideration for the sale was structured as follows:

1. Initial Cash Consideration of €250,000 (~A\$415,000) upon the signing of a Share Sale and Purchase Agreement and a Shareholder Agreement between Altech and AAM.
2. Deferred Consideration: of €4.75 million (~A\$7.92 million), payable by AAM as:
  - Three equal instalments of €1.583 million (~A\$2.63 million) on each annual anniversary of the payment of the Initial Cash Consideration;
  - Interest, paid quarterly to Altech at the rate of 3% p.a. (~A\$240k p.a.) on the outstanding Deferred Consideration;
  - AAM may pay the outstanding Deferred Consideration in full to Altech at any time without penalty; and
  - The Deferred consideration will be secured via the pledge by AAM of the 6,250 AIG shares (25% of AIG) (i.e. should the Deferred Consideration not be paid in full by AAM at or before the third anniversary of the Immediate Cash Consideration payment date, the AIG shares held by AAM will fall back to Altech and in addition all consideration paid by AAM will be retained by Altech).
3. AAM will proportionally participate in all future equity raises by AIG on the same terms as Altech for the purpose of funding its working capital and envisaged business development activities, such as the exercise of its option to acquire industrial land at the Schwarze Pumpe Industrial Park, Saxony, Germany.

During December 2020, the Share Sale and Purchase Agreement and the Shareholder Agreement between Altech and AAM were both executed, and the initial cash consideration of € 250,000 (~A\$415,000) has been received by Altech.

Figure 1: Altech Corporate Structure

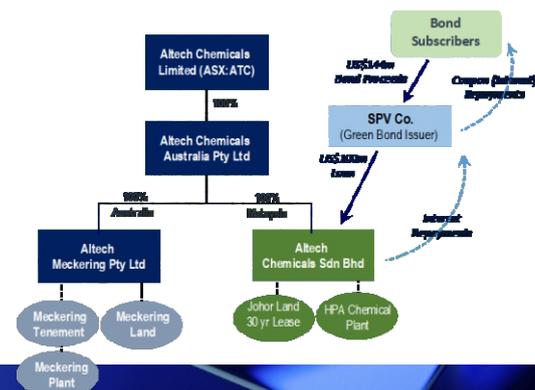


### ALTECH COMMENCES LISTED GREEN BOND OFFERING PROCESS

During the quarter, Altech received a definitive execution program for a listed green bond offering of US\$144 million (Bond Structuring and Execution Plan), from its appointed advisers Bluemount Capital (WA) Pty Ltd (Bluemount) and London based partner Bedford Row Capital (Bedford Row). The Altech board has approved the proposed program, and work on preparations for the bond offering commenced in earnest towards the end of the quarter.

As illustrated in Figure 2 below, a Special Purpose Vehicle (SPV Co.) would be incorporated and managed by Bedford Row Capital (or its nominee) as the proposed bond Issuer. From a US\$144m issue, ~US\$44m would be retained by the SPV to service bond coupon (interest) payments during the period of Altech's HPA plant's construction and commissioning. The US\$100m balance of proceeds is lent by the SPV Co. to Altech's Malaysian subsidiary (Altech Chemicals Sdn. Bhd.) to part-fund plant construction costs and/or for working capital. It is envisaged that the bond will be for an initial 5-year term, and typical of this type of funding would likely be re-financed at a lower coupon (interest rate) towards the end of the term. The SPV Co. would take second lien security behind senior lender KfW IPEX-Bank.

Figure 2: Altech Corporate Structure



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The execution program commences with an approximate 3 month preparation phase, where legal documentation, structures, teasers, draft investment memorandum and comprehensive corporate presentation packs will be developed and then distributed to prospective subscribers. This is followed by the opening of a data room for a bookbuild phase, which will only initiate upon positive “soft soundings” during the preparation phase and will optimally be conducted in a period of positive overall market sentiment.

The final phase is execution, when commitments are settled, and bond proceeds formally deposited with the SPV Co. (closing). Application for listing the bonds on the Frankfurt Stock Exchange would be made following the closing.

Altech commenced the preparation phase of the execution program, which is expected to run until Q2 2021, due to the Christmas / New Year period.



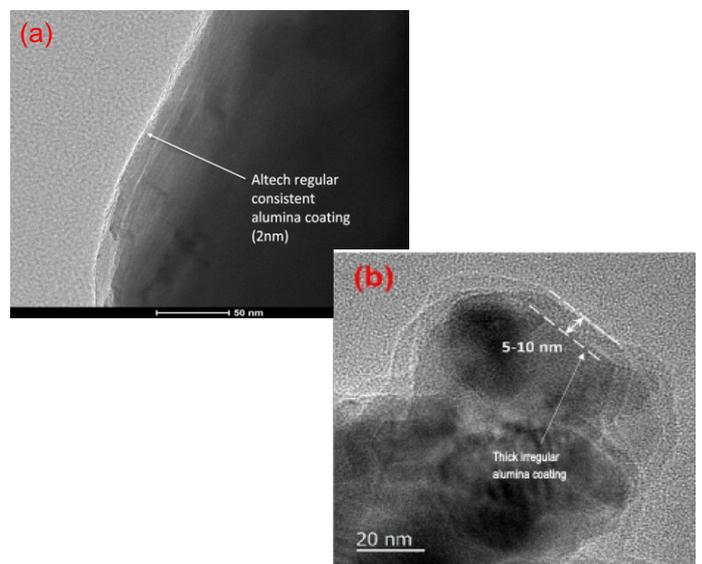
## CONFIRMATION OF HPA GRAPHITE PARTICLE COATING TECHNOLOGY

In December 2020, Altech announced the success of an initial demonstration of its technology to coat particles of graphite, typical of those used in anode applications within lithium-ion batteries, with a nano layer of high purity alumina (HPA).

The demonstration followed on from Altech's 23 September 2020 announcement that as a result of its ground-breaking research and development work, Altech was proceeding to an independent verification phase of its method for the alumina coating of graphite particles. A first phase demonstration was conducted at Curtin University, Western Australia during late November 2020 and resulted in the successful application of a uniform and consistent two to three (2-3) nano-metre (nm) coating of alumina to graphite particles.

The HPA coated graphite particles were examined at the University of Western Australia under a transmission electron microscope (TEM). As seen under the microscope (Figure 3(a), below), a uniform and consistent alumina layer of around 2nm was observed on the outer edge of the graphite particle – this is Altech's alumina coating technology. The uniformity and consistency of an alumina coating on graphite particles is expected to be critical for improved lithium-ion battery performance. In contrast, figure 3(b) shows that an alumina layer applied via a current coating technique is thicker, irregular and inconsistent.

**Figure 3: Electron Microscope images of alumina coated graphite particles: (a) Altech (b) Current**



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The demonstration of Altech's HPA particle coating technology is a very encouraging development for Altech. The next step will be to advance battery performance trials. These trials will aim to quantify the potential performance and lithium-ion battery life-cycle improvements using Altech's HPA coated graphite anodes.

### BACKGROUND

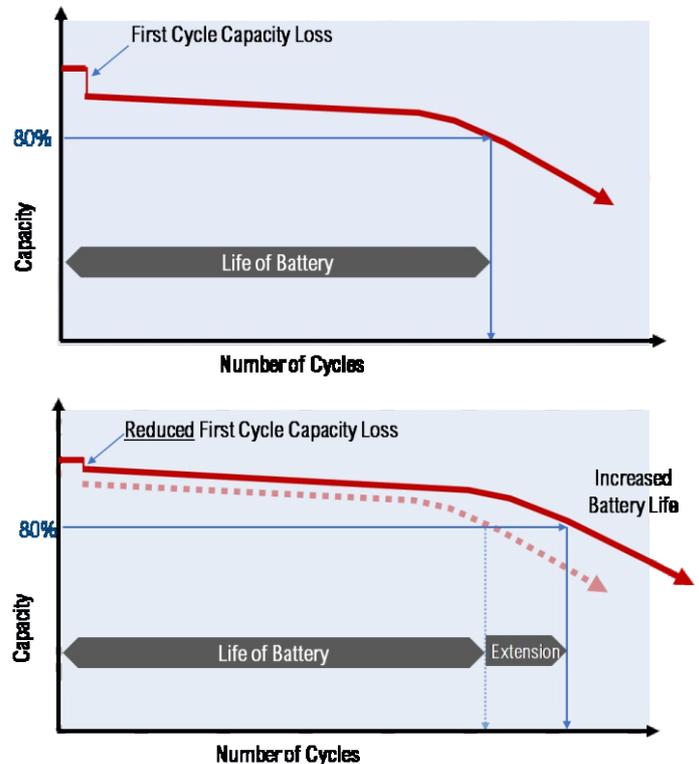
HPA is commonly applied as a coating on the separator sheets used within a lithium-ion battery, as alumina coated separators improve battery performance, durability and overall safety. However, there is an evolving use for alumina within the anode component of the lithium-ion battery because of the positive impacts that alumina coated graphite particles have on battery life and performance.

Lithium-ion battery anodes are typically composed of graphite. In a lithium-ion battery, lithium ion losses initially present as inactive layers that form during the very first battery charge cycle, the losses then compound with each subsequent battery usage cycle. Typically, around 8% of lithium ions are lost during the very first battery charge cycle. This "first cycle capacity loss" or "first-cycle irreversibility" is a long recognised but as yet poorly resolved limitation that has plagued rechargeable lithium-ion batteries. Figure 4 shows the potential increase in battery life if the first cycle capacity loss can be reduced or eliminated, thereby allowing more lithium ions to participate in ongoing operation of the battery.

First cycle capacity loss in a lithium-ion battery is because of the consumption of lithium ions within the battery during the initial battery charging cycle. This forms a layer of material on the anode termed a "solid electrolyte interphase" (SEI). Currently the graphite particles used in lithium-ion battery anodes are uncoated, however manufacturers are now seeking to coat anode graphite particles with a very thin layer of alumina. Tests have demonstrated that alumina coated graphite particles have the potential to reduce first cycle capacity loss. In turn, this innovation can measurably increase battery energy retention, extend battery life and improve overall battery performance.

Altech has launched development of a new product range called "Anode Grade APC01" and "Anode Grade ALC01". This product combined with Altech's particle coating technology is expected to improve Coulombic Efficiency (CE) (especially the CE in first cycle), cycling stability, high-rate performance and fast charging capability.

Figure 4: Illustration of potential impact of reduced "first cycle capacity loss"



Altech intends to focus on tailoring its high purity alumina into specialised products for significantly more efficient application within various process technologies within the lithium-ion battery industry. The initiative also offers another potential avenue to secure a portion of future HPA production at a predetermined floor price, which would support project financial close.

Altech's proposed Anode grade product range would be produced by Altech's already designed HPA plant in Johor, Malaysia. No new specialised equipment will be required, consequently it is not expected that there will be any material change in the estimated capital cost for the Johor HPA plant from the proposed production of these new products.

Managing Director, Iggy Tan said that verification of Altech's coating technology is very exciting for the Company. "We are very encouraged by the near perfect coating results from our technology which has the potential to significantly impact lithium-ion battery performance and address the problem of "first cycle capacity loss". The next stage of work is battery performance testing using our alumina coated graphite, which will aim to demonstrate a step change in battery energy density capacity, performance and battery life," he said.

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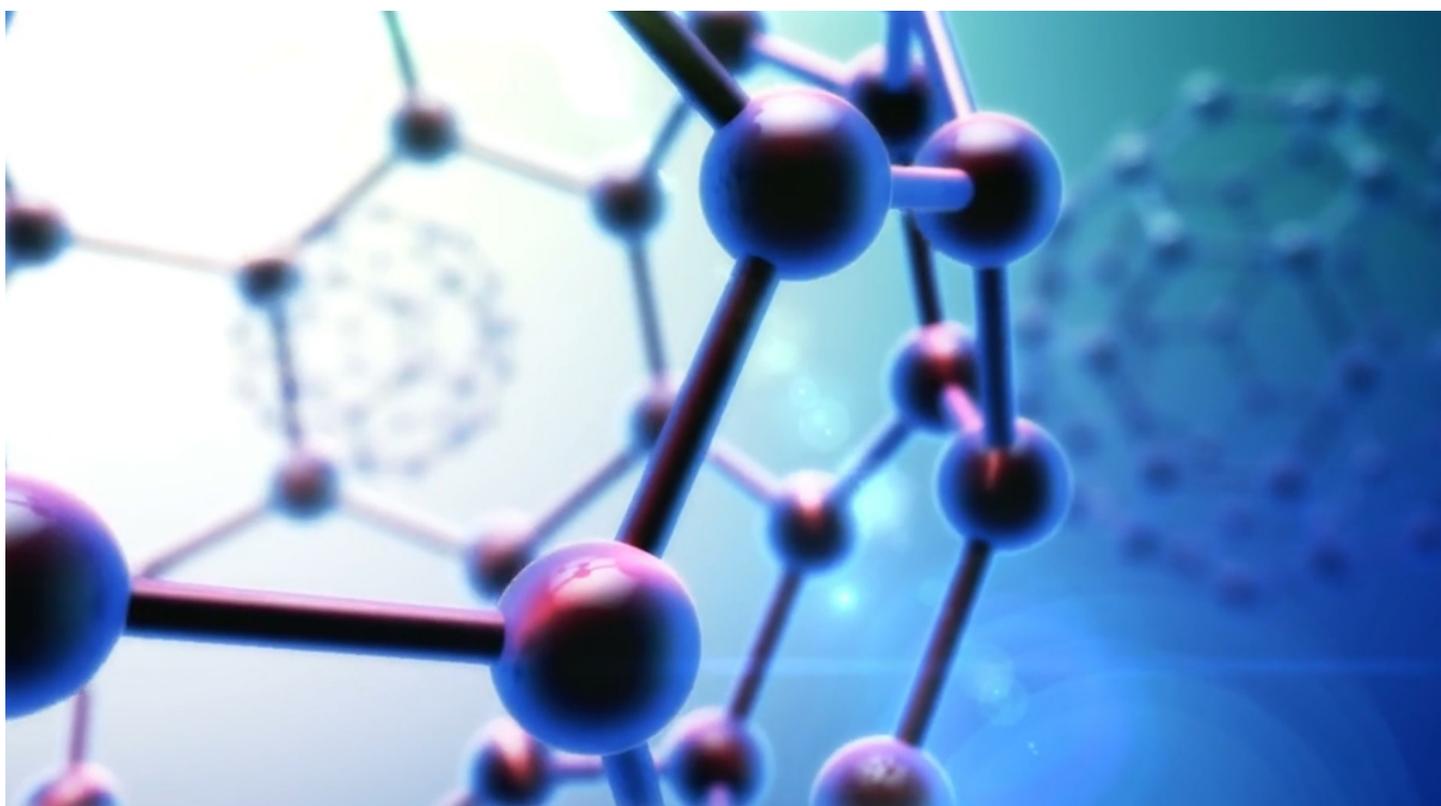
### **\$14.5 MILLION RAISED FROM SUCCESSFUL RIGHTS ISSUE**

Subscriptions for \$12.6 million (before costs) of new shares (and free attaching options) via Altech non-renounceable entitlement offer launched on 9 November 2020, were received up to the closing date of 11 December 2020. And, on 22 January 2021, Altech announced that it had completed the placement of the balance of the entitlement offer (the shortfall), raising an additional \$1.9 million, taking the total amount raised under the offer to its maximum amount of \$14.5 million.

The entitlement offer was on the basis of two (2) new shares at \$0.04 each for every five (5) shares held by Altech shareholders at the Record Date (13 November 2020), plus one free attaching option for each two (2) new shares subscribed and issued (exercise price \$0.08, expiry 31 May 2022) (the Offer). Applications for entitlement shares (inclusive of applications for shortfall shares in excess of entitlement) were received from 655 shareholders for a total of \$7,337,213 (183,430,336 new shares and 91,715,168 attaching options).

In addition, applications totalling \$1,111,853 (27,796,315 new shares and 13,898,157 attaching options) were received under the shortfall offer, and the underwriters of the Offer (Deutsche Balaton/Delphi and Melewar) subscribed to their respective underwriting amounts which totalled \$4,087,070 (102,176,748 new shares and 51,088,374 attaching options).

Altech was extremely pleased with the outcome of the Offer and the number of shareholders that elected to participate. This new funding will be applied to Altech's various European initiatives – including listed green bonds, development activities associated with anode grade high purity alumina (HPA), activities in support of securing the balance of finance for Altech's Malaysian HPA plant, payments for early works stage 2 construction and the balance of consideration for the acquisition of shares in Altech Advanced Materials AG, plus ongoing corporate costs and working capital. 2021 is poised to be an extremely busy year for Altech as it aims to finalise the project funding for the Johor HPA project.



## COMMENCEMENT OF ALTECH GRAPHITE COATED BATTERY PERFORMANCE TESTING

During the quarter, Altech commenced battery performance testing of graphite particles that have been coated with high purity alumina (HPA), using Altech's coating technology.

On 22 December 2020, Altech announced the successful demonstration of its alumina coating technology to coat graphite particles typical of those used in anode applications within lithium-ion batteries (anode grade graphite), with a nano layer of high purity alumina (HPA). The demonstration showed that Altech's technology was able to deposit a uniform and consistent layer of alumina (approximately 2nm thick) onto anode grade graphite particles. The uniformity and consistency of an alumina layer on anode grade graphite is expected to be important to improve lithium-ion battery performance. Following the completion of the demonstration, Altech proceeded to produce a sufficient quantity of coated graphite to proceed to a first stage of battery test-work, which has now commenced.

For Altech's tests, a batch of electrodes has been produced using non-coated standard anode grade graphite particles (the control), and a separate batch of electrodes was produced using the anode grade graphite that is coated with HPA, using Altech's technology (see Figure 5).

The initial tests, to battery industry standards, are an important first step to demonstrate the gains to be made in lithium-ion battery life using graphite particles that have been coated with HPA via the Altech process. The results of the testing program will be reported as they become available, and further tests are expected to follow.

**Figure 5: Preparation of anode component of the half-cell batteries**



## ALTECH ADVANCED MATERIALS AG UPDATE (ALTECH OWNERSHIP 17.8%)

During the quarter, Altech Advanced Materials AG ("AAM") extended the option agreement that it has with Altech to acquire up to a 49% equity interest in Altech's HPA project (via acquiring up to 49% of the shares of Altech Chemicals Australia Pty Ltd), the option period was extended by 6 months to 1 July, 2021. Furthermore, AAM completed the acquisition of a 25% interest in Altech Industries Germany GmbH, Dresden, Germany, thereby securing exclusive rights to use Altech Australia's patents in the European Union, relating to the production of high purity alumina ("HPA") and the new development of anode grade HPA coated materials. Also, the appointments to the AAM management board of Iggy Tan and Uwe Ahrens were officially extended to the end of 2021.

## TERMINATION OF SMI FUNDING AGREEMENT

As a result of the successful entitlement offer, by mutual consent Altech and Specialty Materials Investments LLC (SMI) terminated the share subscription agreement in December 2020. The agreement commenced on 22 April 2020 and was announced as terminated on 21 December 2020. The final amount of shares to be issued to SMI under the agreement was concluded on 20 January 2021.

SMI provided funding for Altech and the HPA project during what was both a volatile period in the global markets and a transitional period for Altech. SMI were a flexible, supportive, responsive and responsible funding partner to Altech during this period. SMI's funding was instrumental in bridging Altech's capital requirements, which provided it time to execute the extremely successful entitlement offer in December 2020. SMI remains a shareholder of Altech, and Altech is most appreciative for its support.

# Quarterly Report

## December 2020



### RESULTS OF ANNUAL GENERAL MEETING ON 27 NOVEMBER 2020

An annual general meeting was held on 27 November 2020 and all resolutions were passed by poll.

### SCHEDULE OF TENEMENTS

As per ASX Listing Rule 5.3.3, the Company held the following tenements (exploration and mining leases) as at 31 December 2020:

Tenement ID	Registered Holder	Location	Project	Grant Date	Interest end of quarter
E70/4718-l	Canning Coal Pty Ltd	WA Australia	Kerrigan	01/12/2015	100%
M70/1334	Altech Meckering Pty Ltd	WA Australia	Meckering	19/05/2016	100%

There were no exploration activities undertaken by the Company during the quarter ended 31 December 2020, due to Altech focussing on securing the balance of project finance, which would enable the recommencement of construction activities at its Malaysian HPA plant site.

### RELATED PARTY TRANSACTIONS (APPENDIX 5B – ITEM 6.1)

The amount shown in the item is for the payment of directors fees (inclusive of superannuation, where applicable), to the Company's managing director, non-executive directors and alternate director, during the quarter.



**Altech Chemicals**  
Limited

# QUARTERLY REPORT

December 2020

## Company Snapshot

Altech Chemicals Limited (ASX:ATC) (FRA:A3Y)  
ABN 45 125 301 206

### FINANCIAL INFORMATION

(as at 31 December 2020)

Share Price:	\$0.04
Shares:	1,224.1m
Options:	157.8m
Performance Rights:*	27.7m
Market Cap:	\$44m
Cash:	\$5.1m

### DIRECTORS

Luke Atkins	Non-executive Chairman
Iggy Tan	Managing Director
Peter Bailey	Non-executive Director
Dan Tenardi	Non-executive Director
Tunku Yaacob Khyra	Non-executive Director
Uwe Ahrens	Alternate Director
Hansjoerg Plaggemars	Non-executive Director

### COMPANY SECRETARY/CFO

Shane Volk

### HEAD OFFICE

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## ABOUT ALTECH CHEMICALS LTD (ASX:ATC) (FRA:A3Y)

Altech Chemicals Limited (Altech/the Company) is aiming to become one of the world's leading suppliers of 99.99% (4N) high purity alumina ( $Al_2O_3$ ) through the construction and operation of a 4,500tpa high purity alumina (HPA) processing plant at Johor, Malaysia. Feedstock for the plant will be sourced from the Company's 100%-owned kaolin deposit at Meckering, Western Australia and shipped to Malaysia.

HPA is a high-value, high margin and highly demanded product as it is the critical ingredient required for the production of synthetic sapphire. Synthetic sapphire is used in the manufacture of substrates for LED lights, semiconductor wafers used in the electronics industry, and scratch-resistant sapphire glass used for wristwatch faces, optical windows and smartphone components. Increasingly HPA is used by lithium-ion battery manufacturers as the coating on the battery's separator, which improves performance, longevity and safety of the battery. With global HPA demand approximately 19,000t (2018), it is estimated that this demand will grow at a compound annual growth rate (CAGR) of 30% (2018-2028); by 2028 HPA market demand will be approximately 272,000t, driven by the increasing adoption of LEDs worldwide as well as the demand for HPA by lithium-ion battery manufacturers to serve the surging electric vehicle market.

## Forward-looking Statements

This announcement contains forward-looking statements which are identified by words such as 'anticipates', 'forecasts', 'may', 'will', 'could', 'believes', 'estimates', 'targets', 'expects', 'plan' or 'intends' and other similar words that involve risks and uncertainties. Indications of, and guidelines or outlook on, future earnings, distributions or financial position or performance and targets, estimates and assumptions in respect of production, prices, operating costs, results, capital expenditures, reserves and resources are also forward-looking statements. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions and estimates regarding future events and actions that, while considered reasonable as at the date of this announcement and are expected to take place, are inherently subject to significant technical, business, economic, competitive, political and social uncertainties and contingencies. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the directors and management. We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this announcement will actually occur and readers are cautioned not to place undue reliance on these forward-looking statements. These forward-looking statements are subject to various risk factors that could cause actual events or results to differ materially from the events or results estimated, expressed or anticipated in these statements.

\*subject to vesting conditions



## Appendix 5B

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

Name of entity

ALTECH CHEMICAL LTD

ABN

25 125 301 206

Quarter ended ("current quarter")

DECEMBER 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	(341)	(392)
(c) production	-	-
(d) staff costs	(310)	(625)
(e) administration and corporate costs	(362)	(639)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	1
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)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,012)</b>	<b>(1,655)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities (deferred consideration for purchase of AAM AG shares)	(2,028)	(2,028)
(b) tenements	-	-
(c) property, plant and equipment	-	(1)
(d) exploration & evaluation	(28)	(29)
(e) Sale of 25% of Altech Industries Germany GmbH	404	404
(f) Malaysian HPA Plant (work in progress)	(5,089)	(5,341)

## 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
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 (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(6,741)</b>	<b>(6,995)</b>
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	12,629	12,629
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	(544)	(549)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	KfW-IPEX Bank Facility Fee	(246)	(246)
3.8	Dividends paid	-	-
3.9	Funds from Specialty Materials Investments LLC, per a Share Purchase Agreement	435	1,085
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>12,274</b>	<b>12,919</b>
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>	<b>(252)</b>	<b>(252)</b>
4.1	Cash and cash equivalents at beginning of period	<b>581</b>	<b>833</b>
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,012)	(1,655)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(6,741)	(6,995)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	12,274	12,919

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

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
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>5,102</b>	<b>5,102</b>

<b>5. 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	5,072	551
5.2 Call deposits	30	30
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>5,102</b>	<b>581</b>

<b>6. 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 (Directors fees)	359
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.*

<b>7. Financing facilities</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>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
<b>7.4 Total financing facilities</b>	<b>-</b>	<b>-</b>
<b>7.5 Unused financing facilities available at quarter end</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.		

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

<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)	(1,012)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(28)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	<b>(1,040)</b>
8.4 Cash and cash equivalents at quarter end (item 4.6)	5,102
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	5,102
8.7 <b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	<b>4.90</b>
<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?	
-	
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:	
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:	
<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

- This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- This statement gives a true and fair view of the matters disclosed.

29 January 2021

Date: .....

SHANE VOLK – Company Secretary

Authorised by: .....  
(Name of body or officer authorising release – see note 4)

## Notes

- 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.
- 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.

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

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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.