

# Quarterly Report

21 October 2020

## Highlights

**Cobalt Blue Holdings Limited**  
A Green Energy  
Exploration  
Company



ASX Code: **COB**

**Commodity Exposure:**  
Cobalt & Sulphur

### Directors & Management:

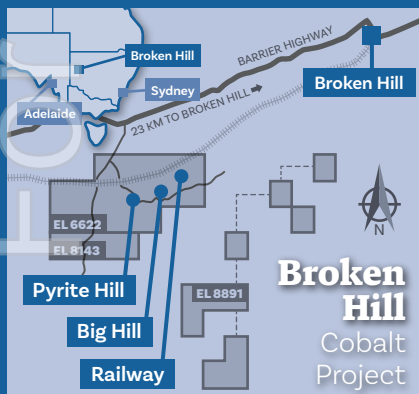
**Robert Biancardi** Non-Exec Chairman  
**Hugh Keller** Non-Exec Director  
**Robert McDonald** Non-Exec Director  
**Joe Kaderavek** CEO & Exec Director  
**Robert Waring** Company Secretary

### Capital Structure:

Ordinary Shares at 21/10/2020: **237.4m**  
Options (ASX Code: COBO): **8.8m**  
Market Cap (undiluted): **\$24.9m**

### Share Price:

Share Price at 21/10/2020: **\$0.105**



### Cobalt Blue Holdings Limited

ACN: 614 466 607  
Address: Suite 1703, 100 Miller Street  
North Sydney NSW 2060  
Ph: (02) 8287 0660  
Website: [www.cobaltblueholdings.com](http://www.cobaltblueholdings.com)  
Email: [info@cobaltblueholdings.com](mailto:info@cobaltblueholdings.com)  
Social: [f Cobalt.Blue.Energy](https://www.facebook.com/Cobalt.Blue.Energy)  
[in cobalt-blue-holdings](https://www.linkedin.com/company/cobalt-blue-holdings)

## Cobalt Blue September Quarterly Report

### BROKEN HILL COBALT PROJECT

- Project Update 2020
- BHCP Testwork
- Pilot Plant update

### COBALT PARTNERSHIPS

- Oz Minerals pyrite concentrate sample from Carrapateena (South Australia)

### COBALT TRENDS

- Europe leaps to become largest global EV market
- GM to launch NCMA cathode technology by 2025
- Battery cathode trends
- Car OEM investments exceed US\$500Bn to 2025

### CORPORATE

- Capital Raising
- Expenditure
- Other

## Broken Hill Cobalt Project (BHCP)

### Project Update 2020

During the quarter COB released a major project update of the Broken Hill Cobalt Project. The project update highlights were:

- Ore Reserve (Probable) increased 55% from 46.4 Mt (at 819 ppm cobalt) to 71.8 Mt<sup>1</sup> (at 710 ppm cobalt).
- Ore Reserve contained cobalt increased 34% from 38,000 tonnes to 51,000 tonnes.<sup>1</sup>

<sup>1</sup> The ore reserve estimates were first announced by the Company on 16 July 2020 in *Broken Hill Cobalt Project (BHCP) Project Update 2020*. The Company confirms it is not aware of any new information or data that materially affects the information included in that announcement and all material assumptions and technical parameters underpinning the estimates in that announcement continue to apply and have not materially changed.

- Pre-Production capital expenditure lowered by ~\$70m, inclusive of a 20% increase in front-end mining and concentrate throughput capacity from 5.2 Mtpa to 6.3 Mtpa.
- Capital intensity (US\$ capital/cobalt production) typically 25-30% of required capital for comparable cobalt greenfield projects.
- Replacement of standalone process plant Tailings Storage Facility, with an Integrated Waste Landform for co-disposal of mine waste rock and process plant tailings, resulting in a lower environmental footprint.

A Production Target<sup>2</sup> (Potential Upside Mining Case) was modelled consisting of 98 Mt at 690 ppm cobalt including the Probable Ore Reserve and a partial component of the Inferred Resource. Production Target assumptions and outcomes are set out in the table below.

### Project Summary (Production Target)

Pre-Production Capital	Assumptions	Comments
Process Plant	A\$343m	
Infrastructure	A\$137m	
Mine development	A\$38m	Other: includes services, env monitoring, biodiversity offset and IWL development
Mine fleet	A\$22m	
Other	A\$20m	Contingencies: includes \$70m contingencies (14%)
Total	A\$560m	
Plant Throughput (ore quantity)	Up to 6.3 Mtpa	Maximum comminution and concentrator throughput. Maximum concentrate refinery throughput 1 Mtpa
Annual Cobalt Production (metal in sulphate)	3,500-3,600 tpa	LOM Total (excluding ramp up/down periods)
LOM Cobalt Production (metal in sulphate)	57,000 tonnes	LOM Total
Mine Life (Production Target)	17 years	Production Target of 98 Mt at 690 ppm cobalt

### Macro Assumptions

A\$ / US\$ Exchange Rate	2023 \$0.73, 2024 \$0.72, 2025 \$0.71 then \$0.70	Macquarie Securities (Australia)
Average LOM Cobalt Price	US\$27.50/lb	Roskill International
Average LOM Sulphur Price	US\$145/t	CRU International This is landed sulphur price at Australian port (Townsville)

### Financial Metrics

Pre-Tax NPV (7.5%)	A\$770m	Based on Production Target
Post-tax NPV (7.5%)	A\$490m	
C1 cash cost (including sulphur credits)	\$10.34/lb	Average based on Production Target
All in Sustaining Costs (including sulphur credits)	\$13.10/lb	Average based on Production Target

\* NPV is based on 100% equity, real terms. Post Tax NPV assumed a 30% corporate tax rate.

As part of the project update, COB conducted a value engineering study<sup>2</sup> examining the potential contribution of nickel to the project. Drill sample assays have shown that nickel is present in the mineral deposits. Metallurgical testwork has reported that nickel will be recovered into the Mixed Hydroxide Product (MHP). While the study was not based upon a JORC 2012 Resource or Reserve estimate, it concluded that an MHP containing 7% nickel (and 38% cobalt) could be produced from processing samples of RC chips obtained from the mineral deposits. Further work is required to confirm the quantities of nickel (and other minor metals such as copper and zinc) in the Mineral Resource and Ore Reserve estimates.

<sup>2</sup> The production target, forecast financial information derived from the production target and the value engineering study was first announced by the Company on 16 July 2020 in *Broken Hill Cobalt Project (BHCP) Project Update 2020*. The Company confirms it is not aware of any new information or data that materially affects the information included in that announcement and all material assumptions and technical parameters underpinning the production target, forecast financial information derived from it and the value engineering study continue to apply and have not materially changed.

The inclusion of nickel credits (at a ratio of 1:6 with cobalt) was estimated to add 3.0% to Project revenue and decreases C1 and All In Sustaining Costs as shown in the table below.

C1 cash cost (including sulphur & nickel credits)	\$9.34/lb	Based on Value Engineering Study
All In Sustaining Costs (including sulphur & nickel credits)	\$12.13/lb	Based on Value Engineering Study
Pre-Tax NPV (7.5%)	A\$861m	Based on Value Engineering Study
Post-tax NPV (7.5%)	A\$554m	

The project update also noted that several key optimisation opportunities will be examined during the upcoming Feasibility Study:

- Capital cost reductions:** Process Plant Engineering optimisation of rotary furnaces, dryer kilns, autoclaves and processing filters will be undertaken as a result of upcoming pilot and demonstration plant testwork. Further: (1) mining fleet/infrastructure capital (A\$29.7m) represents an opportunity for outsourcing to contractor-based operations and (2) High Voltage (HV) power (A\$35.5m) capital represents an opportunity to engage in a Build Own Operate Model (BOOM) contract with an energy provider. Trade-off studies will be completed to evaluate the optimal capital cost versus operating cost scenarios.
- Metal recoveries:** Design criteria used during the PFS 2018 and the Project Update 2020 Study was based on batch testwork. Larger scale testing will be conducted as part of our pilot and demonstration plant testwork, incorporating recycle streams, which may increase overall metal recoveries.
- Energy costs:** Energy is 19% of annual site cash costs – related to electrical power consumption from the National Electricity Market. Piping Compressed Natural Gas (CNG) to site (feeding from the Moomba to Adelaide gas pipeline) will be examined as a lower cost energy alternative. Further, diesel costs represent a significant 25-30% of total mining costs, which will be subject to further optimisation studies.
- Project life extension:** Further resource development work will be undertaken. This work may convert to additional Ore Reserves and, in turn, extend project life.
- Inclusion of minor metals:** Future resource estimation will include minor metals such as nickel, copper, zinc and manganese.

### BHCP Testwork

COB announced on 28 April 2020 that it had produced a mixed cobalt-nickel hydroxide. The hydroxide was subsequently refined to produce cobalt sulphate heptahydrate crystals and a nickel sulphate solution. Impurities were removed using conventional ion-exchange and solvent extraction techniques. The final cobalt sulphate crystals were obtained by evaporative crystallisation under vacuum. The nickel sulphate solution was a by-product of the process and will be subject to further studies for production of nickel sulphate crystals.

During the quarter<sup>3</sup> COB released testwork results that confirmed that high-purity products can be achieved using the COB process for recovery of metals from pyrite.

The cobalt sulphate purity achieved >20.8% purity. The sample compares very favourably to the typical specifications (based on nine leading global suppliers) for cobalt sulphate heptahydrate used in manufacturing battery cathode precursors, as shown in the table on the next page. The crystals are also shown on the next page.

In relation to elemental sulphur testwork, a ~150 kg sample of concentrate was processed by Harper International for conversion of pyrite into pyrrhotite and elemental sulphur. The elemental sulphur was condensed from the kiln off-gas and then processed by Enersul into sulphur prills. The sulphur purity was established to be >99.3% purity.

### Pilot Plant update

During the quarter COB took delivery of a second tranche of equipment including gravity spirals, reactors, storage tanks, filters and processing pumps. The Pilot Plant will inform the Broken Hill Cobalt Project Feasibility Studies as well as supply cobalt product samples to the COB global sample partner program. The Pilot Plant will be modular and is planned to be sized upwards to a Demonstration Plant (1:1000 to full commercial size) by Q3 2021.

3 The testwork results under this heading were first announced by the Company on 14 July 2020 in *BHCP testwork – High purity cobalt and sulphur products*. The Company confirms it is not aware of any new information or data that materially affects the information included in that announcement and all material assumptions and technical parameters underpinning the reported results in that announcement continue to apply and have not materially changed.

Figure 1 – **Cobalt Sulphate Heptahydrate Crystals**  
(ex BHCP) (5x5mm grid)



Table 1 – **Cobalt Sulphate purity**

Metal	Units	COB	AVG 9 producers
Co	%	>20.8%	>20.5
Al	ppm	2	<10
As	ppm	<1	<5
Ca	ppm	<0.01	<10 (can be up to 100)
Cd	ppm	<0.001	<10
Cr	ppm	<0.01	<5
Cu	ppm	1	<10
Fe	ppm	<1	<10
K	ppm	0.6	<5 (can be up to 100)
Mg	ppm	27	<20 (can be up to 100)
Mn	ppm	5	<10 (can be up to 100)
Na	ppm	128	<20 (can be up to 100)
Ni	ppm	<10	<10 (can be up to 100)
Pb	ppm	<0.05	<10
Si	ppm	<0.5	<20
Zn	ppm	<2	<10

Figure 2 – **Prilled Elemental Sulphur** (ex BHCP) (5x5mm grid)



Table 2 – **Elemental Sulphur Purity**

Al	600	ppm
Ca	160	ppm
Co	<20	ppm
Fe	0.10	%
Mg	60	ppm
Na	100	ppm
SiO <sub>2</sub>	0.45	%
S	99.3	% by difference

## COB Partnerships

### Oz Minerals pyrite concentrate sample from Carrapateena (South Australia)

Testwork continued during the quarter.

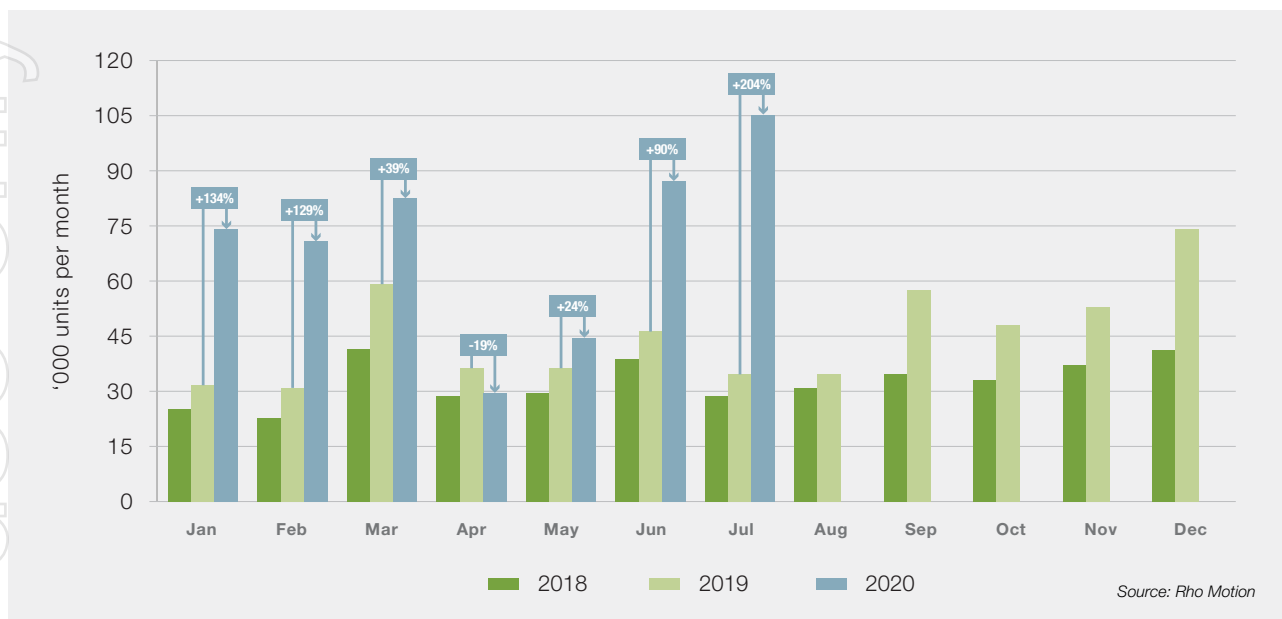
## Cobalt Trends

### Europe leaps to become largest global EV market

Incentives by European governments have led to an increase in Electric Vehicle (EV) sales during 2020, while general auto sales worldwide have fallen. During Q1 2020, EVs significantly increased market share from 2.5% to 6.8% compared to Q1 2019, according to the European Automotive Manufacturers' Association (ACEA). Total EV sales rose by over 100% in the first seven months of 2020. The EU EV market is now outpacing China in volume terms with EV sales reaching 500,000 units in January-July, compared to EV sales of 415,000 units in China.

By way of example; Germany now offers a €9,480 subsidy for EVs, with €3,480 of that provided by the Original Equipment Manufacturers (OEMs), while France, home to Europe's biggest EV manufacturer in Renault, has an even bigger subsidy, at €12,000 including a €5,000 scrappage scheme for older cars.

Figure 3 – European passenger car battery electric vehicle and plug-in hybrid electric vehicle sales by month, 2018–2020



### GM to launch NCMA cathode technology by 2025

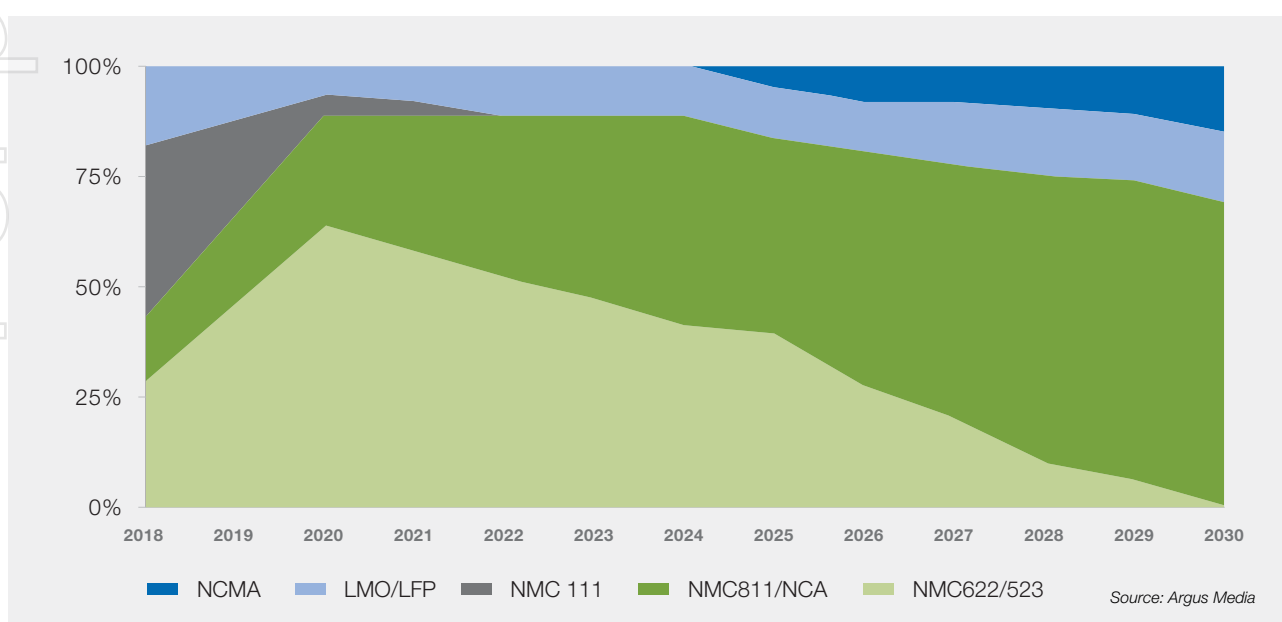
General Motors (GM) plans to introduce a new Nickel Cobalt Manganese Aluminium (NCMA or “Ultium”) battery as the US carmaker expands its line of EVs, potentially lowering production costs. These Ultium batteries will be manufactured through a partnership with LG Chem at a 30GWh/yr facility that is expected to break ground later this year. GM’s joint venture with LG Chem will aim to drive battery cell costs below US\$100/kWh.

GM aims to sell 1 million EVs per year through 22 different EV models using Ultium energy options that will range from 50 to 200 kWh, and enable a GM-estimated range up to 400 miles (~640kms) or more on a full charge. The technology is expected to roll out by 2025.

### Battery cathode trends

Within the EV market, the trend to high nickel cathodes and battery cost reduction is shown via the Argus Media forecast below. By 2030 it is estimated that 85% of all EVs will be powered by cobalt based batteries, with Lithium-Phosphate (LFP)/Lithium-Manganese (LMO) cathodes being the exception. The incoming NCMA cathode (refer previous section) is expected to take 15% market share with (Nickel Cobalt Manganese NCM & Nickel Cobalt Aluminium Oxide NCA) cathodes dominating the market.

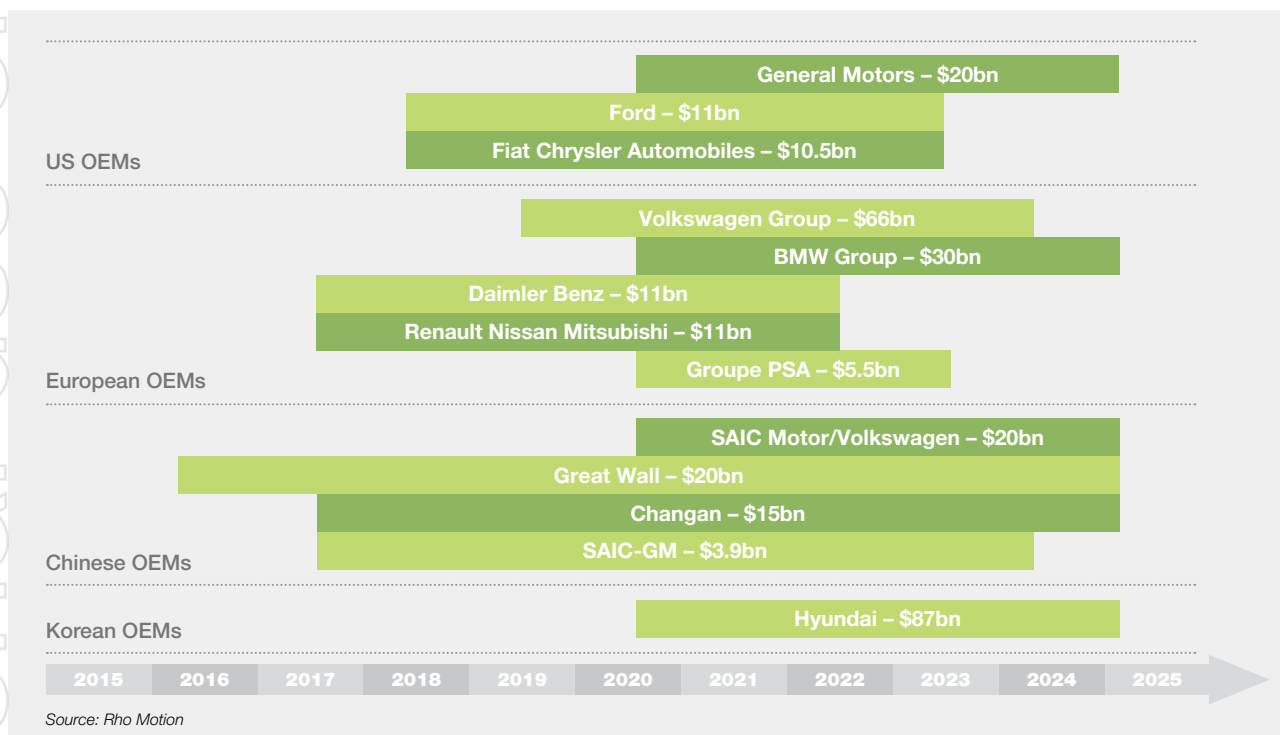
Figure 4 – Battery cathode technology



## Car OEM investments exceed US\$500Bn to 2025

Five international car OEM conglomerates have added substantial EV production investment commitments during 2020. Globally, EV manufacturers have now committed over US\$500Bn in capital funding towards increasing EV fleet production. Wood Mackenzie (international consulting firm) estimates that “Peak ICE”, the year of peak Internal Combustion Engine (ICE) vehicle sales, has already occurred with EVs sales rapidly displacing ICE sales henceforth.

Figure 5 – OEM electrification investments, announced by August 2020



## Corporate News

### Capital Raising

During the quarter COB made a placement of 39,485,275 fully paid ordinary shares, at \$0.095 per share, to institutional and professional investors, to raise \$3.75m before costs. During the quarter COB also issued 37,658,772 fully paid ordinary shares, at \$0.095 per share, through a Share Purchase Plan, to raise a further \$3.58m before costs.

These funds will mainly be used for construction, commissioning and operation of the pilot plant, for engineering and technical studies towards the Feasibility Study, to advance the BHCP permits and approvals (including commencing Environmental Impact Statement studies) and to fund the process of obtaining a major joint venture partner for the Broken Hill Cobalt Project.

### Commercial Relationships

COB appointed Newland Global Group (NGG), a leading corporate advisory firm specialising in creating cross border commercial relationships between Australia and India to assist the Company attract investment from Indian groups. With the recent (5 June 2020) signing of the Australia/India Critical Materials MOU (which includes cobalt) COB looks forward to introducing the BHCP to one of the world's largest lithium ion battery markets. In particular, the 'Make in India' programme announced by the Indian government is expected to increase demand for critical minerals in the country.

### Expenditure

COB's activities primarily relate to exploration and evaluation of the Broken Hill Cobalt Project. There were no activities related to production or development. During the quarter COB incurred<sup>4</sup> \$298,000 on exploration and evaluation activities, primarily relating to technical services.

<sup>4</sup> Refers to expenditure incurred on an accounting accruals basis as distinct from expenditure reported in the Appendix 5B, which refers to expenditure on a cash basis. The amounts were extracted from the unaudited accounts of the COB Group.

### Other

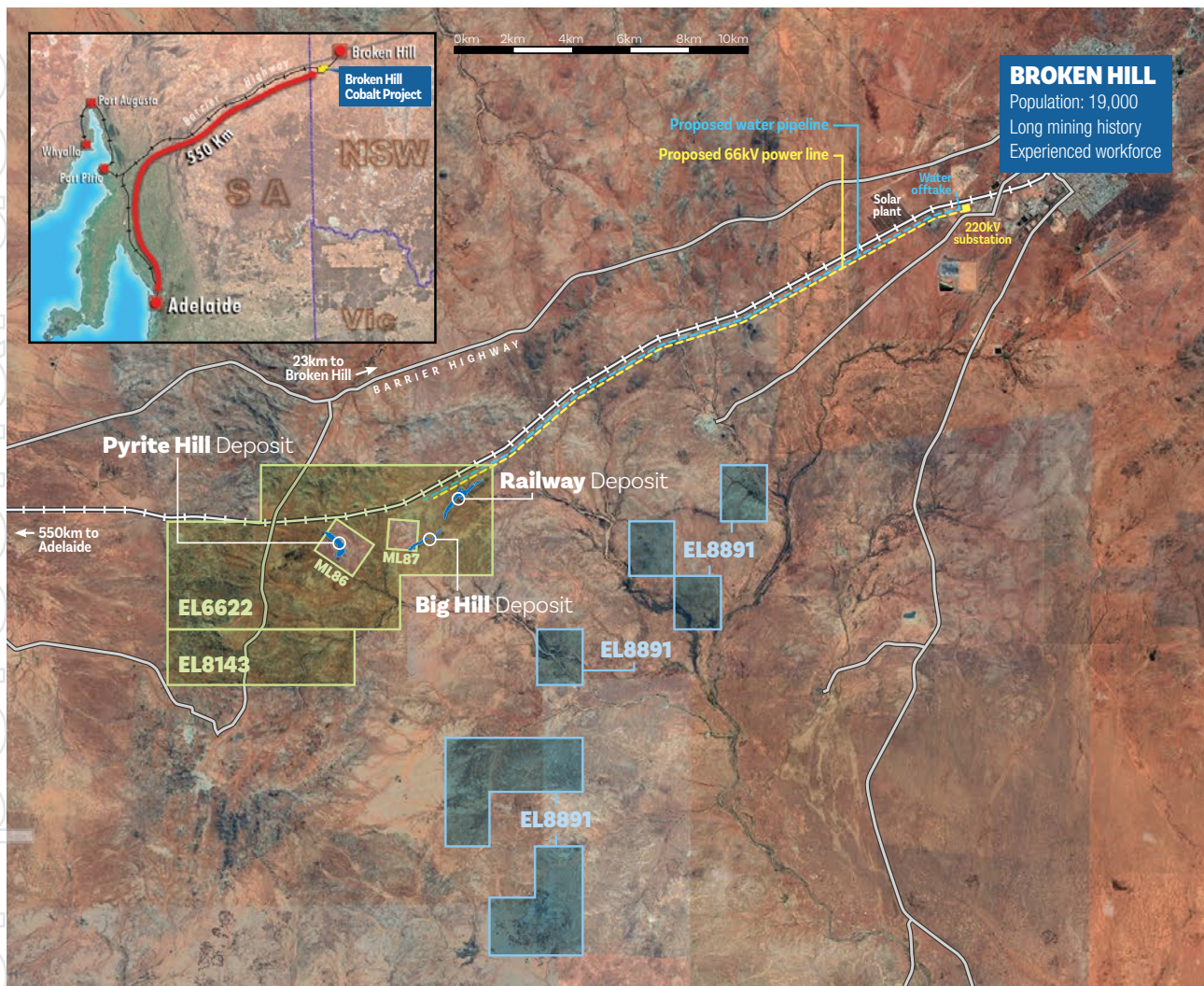
During the quarter COB's share price fluctuated between 8.3 cents and 14 cents.

COB's accompanying Appendix 5B (Quarterly Cashflow Report) includes an amount in item 6.1 which constitutes directors' fees and salary.

## The Broken Hill Cobalt Project

The Broken Hill district map shows the proximity of the Broken Hill Cobalt Project to Broken Hill, the supporting rail line and road network, as well as the availability of both power and water utilities to support future production.

Figure 6 – Broken Hill District Map



## Cobalt Blue Background

Cobalt Blue Holdings Limited (ASX: COB) is an exploration and project development company. Work programs advancing the Broken Hill Cobalt Project in New South Wales continue. Cobalt is a strategic metal in strong demand for new generation batteries, particularly lithium-ion batteries now being widely used in clean energy systems.

Looking forward, we would like our shareholders to keep in touch with COB updates and related news items, which we will post on our website, the ASX announcements platform, as well as social media such as Facebook (f) and LinkedIn (in). Please don't hesitate to join the 'COB friends' on social media and to join our newsletter mailing list at our website.



Joe Kaderavek  
Chief Executive Officer  
info@cobaltblueholdings.com  
P: +61 2 8287 0660

This announcement was authorised by the Board of Directors.

## Previously Released Information

This ASX announcement refers to information extracted from the following reports, which are available for viewing on COB's website <http://www.cobaltblueholdings.com>.

- 7 September 2020: Results of Share Purchase Plan
- 24 August 2020: Pilot Plant Update – 2nd Delivery of Major Equipment Received
- 21 July 2020: COB – CEO's Letter to Shareholders
- 16 July 2020: Broken Hill Cobalt Project Update 2020
- 14 July 2020: Project testwork – high purity cobalt & sulphur products

COB confirms it is not aware of any new information or data that materially affects the information included in the original market announcements and where applicable in the case of estimates of Mineral Resources or Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. COB confirms that the form and context in which any Competent Person's findings presented have not been materially modified from the original market announcement.

## Tenement Holding

The COB Group held the following mining tenements at the end of the quarter:

Tenement	Location	Interest at end of quarter
EL 8891	Broken Hill Region, New South Wales	100% legal and beneficial interest
EL 6622	Broken Hill Region, New South Wales	100% legal and beneficial interest
EL 8143	Broken Hill Region, New South Wales	100% legal and beneficial interest
ML 86	Broken Hill Region, New South Wales	100% legal and beneficial interest
ML 87	Broken Hill Region, New South Wales	100% legal and beneficial interest

No tenements or farm-in or farm-out agreements were disposed of during the quarter.



## Appendix 5B

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

**Name of entity**

COBALT BLUE HOLDINGS LIMITED

**ABN**

90 614 466 607

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

September 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	62	62
1.2 Payments for		
(a) exploration & evaluation (if expensed)	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(263)	(263)
(e) administration and corporate costs	(329)	(329)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid	(6)	(6)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	25	25
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(510)</b>	<b>(510)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(33)	(33)
(d) exploration & evaluation (if capitalised)	(669)	(669)
(e) investments	-	-
(f) other non-current assets	-	-

<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) 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 (Government Grants)	272	272
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(430)</b>	<b>(430)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	7,329	7,329
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(188)	(188)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	(100)	(100)
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>7,041</b>	<b>7,041</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	2,057	2,057
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(510)	(510)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(430)	(430)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	7,041	7,041
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>8,158</b>	<b>8,158</b>

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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	8,158	2,057
5.2 Call deposits	-	-
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>8,158</b>	<b>2,057</b>

6. <b>Payments to related parties of the entity and their associates</b>	Current quarter \$A'000
6.1 Aggregate amount of payments to related parties and their associates included in item 1.	122
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.

7. <b>Financing facilities available</b> <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)	-	-
<b>7.4 Total financing facilities</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.		
<p>On 17 January 2020 the Company executed Final Agreements with American Rare Earths Limited (formerly Broken Hill Prospecting Limited (ASX: ARR) to acquire 100% ownership and legal title of the Broken Hill (Thackaringa) Cobalt Project (including all tenements). The consideration for the acquisition included a \$1,000,000 three -year unsecured Convertible Note (CN), with interest of 6% per annum payable annually in arrears. ARR is able to convert the CN to fully paid ordinary shares at maturity or on 18 January 2021 or 17 January 2022 (using a conversion price of \$0.20). COB can redeem the CN early. The consideration also included a five-year \$3,000,000 secured promissory note (PN) issued to ARR, with interest of 6% per annum payable in years 4 and 5. The PN can be repaid by COB at any time in whole or in part without penalty. Once the PN is repaid in full, the security will be extinguished.</p>		

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<b>8.</b>	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (Item 1.9)	(510)
8.2	Capitalised exploration & evaluation (Item 2.1 (d))	(669)
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(1,179)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	8,158
8.5	Unused financing facilities available at quarter end (Item 7.5)	-
8.6	Total available funding (Item 8.4 + Item 8.5)	8,158
<b>8.7</b>	<b>Estimated quarters of funding available (Item 8.6 divided by Item 8.3)</b>	<b>6.91</b>

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

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: Not applicable

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: Not applicable

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: Not applicable

## 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: 21 October 2020

Authorised by: By the board

## 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.