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28 October 2020

QUARTERLY ACTIVITIES REPORT FOR THE SEPTEMBER 2020 QUARTER

CORPORATE

During the quarter ended 30 September 2020, the Company continued its efforts to seek and review suitable projects and opportunities for potential investment. In addition, the Company is also considering a number of restructuring and refinancing alternatives and is in discussions with its major shareholders and a number of interested parties with a view to secure the Company's re-capitalisation and overall position.

The Company will advise the market of any developments, as appropriate.

The Company held its Annual General Meeting on 31 July 2020, with all resolutions put to the meeting passed.

RELATED PARTY PAYMENTS

During the quarter ended 30 September 2020, the Company made payments of $22,000 to related parties. These payments related to settlement of outstanding director fees based on existing remuneration arrangements.

TENEMENTS AND EXPLORATION ACTIVITIES

Tenement schedule as at 30 September 2020

Tenure No/Location	Prospect	Holder	Ownership	Area (blocks)	Grant date	Expiry date
EPM 19736	Macauley	RMA Energy Ltd	100%	17	20/10/2015	19/10/2020*

The Company did not acquire any new tenements during the quarter.

* - EPM19736 has not been renewed and as such lapsed on 19 October 2020.

The Company did not undertake any exploration activities during the quarter. The Company did not enter into any farm-in or farm-out agreements during the quarter and do not hold any beneficial interests in any farm-in or farm-out agreements.

Authorised for release by the Board of Directors.

For more information please contact:

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Appendix 5B

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

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Name of entity

RMA Energy Limited

ABN	Quarter ended ("current quarter")
79 123 776 652	30 September 2020

Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 months) $A'000
1.	**Cash flows from operating activities**		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation	-	(1)
	(b) development		
	(c) production		
	(d) staff costs	(22)	(22)
	(e) administration and corporate costs	(64)	(68)
1.3	Dividends received (see note 3)		
1.4	Interest received	2	2
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**	**(84)**	**(89)**

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

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 months) $A'000
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements	6	6
	(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)		
2.6	**Net cash from / (used in) investing activities**	**6**	**6**

3.	**Cash flows from financing activities**		
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	-	100
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)		
3.10	**Net cash from / (used in) financing activities**	**-**	**100**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	113	18
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(84)	(89)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	6	6
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	100

Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 months) $A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**35**	**35**

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	35	113
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)**	**35**	**113**

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	(22)
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.

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7.	**Financing facilities** *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.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	410,500[1] 200,000[2] 200,000[3] 100,000[4]	410,500[1] 200,000[2] 200,000[3] 100,000[4]
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	**Total financing facilities**	910,500[5]	910,500[5]
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.

[1] On 24 November 2014, the Company received loan funds of $410,500 from its major shareholder, CREC Resources (Aust) Pty Ltd ("CREC"). The loan is unsecured and was repayable within 3 years from the date of draw down. Interest accrues on the loan at the rate of 7.20% p.a. from 24 November 2017 (was 6.00% p.a. prior to that).

[2] On 31 March 2016, the Company received loan funds of $200,000 from CREC to assist with working capital requirements. The loan term was for 1 year and attracted an interest rate of 5.22% per annum (was 4.35% per annum prior to 31 March 2017).

[3] On 27 March 2018, the Company entered into a loan agreement for $200,000 with CREC to assist with working capital requirements. The borrowing was drawn in 5 instalments of $40,000 each. The loan is unsecured and was for 1 year term. The loan attracted an interest rate of 4.35% per annum during the first 12 months of borrowing and increased by 20% to 5.22% after the expiration of the 12 months' term.

[4] On 19 June 2020, the Company received loan funds of $100,000 from its major shareholder, CREC Resources (Aust) Pty Ltd ("CREC"). The loan is unsecured and is for 1 year term. The loan attracts an interest rate of 4.35% per annum during the first 1 year of borrowing and increased by 20% to 5.22% after the expiration of the 1 year term.

[5] Excludes accrued interests at the rates noted above.

As at date of this report, RMA directors are still in discussion with CREC to renegotiate the repayment terms of the above loans.

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(84)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(84)
8.4	Cash and cash equivalents at quarter end (item 4.6)	35
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	35

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8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	0.41

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.

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

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

The Company settled a large number of its outstanding creditor invoices during July 2020 after receiving loan funds from its major shareholder CREC Resources (Aust) Pty Ltd ("CREC") during June 2020. The Company does not expect to incur this level of net operating cash flows during the current or next quarter.

This position might change should the Company be successful in negotiating a re-capitalisation during the stated period which will likely then also include an increase in operational activities.

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:

The Company has its full 15% capacity afforded under Listing Rule 7.1 available to raise cash funds should the need arise. As noted the Board is currently considering a number of proposals to re-capitalise the Company with negotiations between the Company, a number of unrelated parties and the Company's major shareholder continuing.

In addition, the Company has received a letter of financial support from CREC stating that their loans will not be called upon and that no amount of principal or interest is repayable before at least 31 July 2021, unless the Company is in the position to repay the loans. In addition, the letter of financial support from CREC confirms that they will provide financial assistance as is necessary to enable the Company to meet its working capital commitments as and when they fall due for a period up to at least 31 July 2021.

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:

Yes, the Company monitors its ongoing liabilities to ensure it has sufficient cash available to settle these as and when required as it continues to assess its recapitalisation options. The Company currently does not have any exploration commitments.

As noted in 8.8.2, the Company has also received a letter of financial support from CREC confirming that they will provide financial assistance as is necessary to enable the Company to meet its working capital commitments as and when they fall due for the period of up to at least 31 July 2021.

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.

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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: 28 October 2020

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

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

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